

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED
APR 06 2005
DIV. OF OIL, GAS & MINING

FORM 3

001

RECOMMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-47782	6. SURFACE: State
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: The Houston Exploration Company		8. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 200 CITY Houston STATE TX ZIP 77002		PHONE NUMBER: (713) 830-6800	9. WELL NAME and NUMBER: Southman Canyon 15-36-9-23
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 529' FSL & 1784' FEL AT PROPOSED PRODUCING ZONE: same as above		10. FIELD AND POOL, OR WILDCAT: Natural Buttes	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 51.15 miles South of Vernal, UT		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 36 9S 23E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 529'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000'	19. PROPOSED DEPTH: 8,165	20. BOND DESCRIPTION: 104155044	
21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.): 5413.8 GR	22. APPROXIMATE DATE WORK WILL START: 4/30/2005	23. ESTIMATED DURATION: 30 Days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11"	5 5/8 J-55 36#	2,000	Premium Lite II 250 SKS 3.38 CF 11.0 PPG
			Class "G" 329 SKS 1.2 CF 15.6 PPG
			Calcium Chloride 200 SKS 1.10 CF 15.6 PPG
7 7/8	4 1/2 N-80 11.6#	8,165	Premium Lite II 200 SKS 3.3 CF 14.3 PPG

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) William A Ryan TITLE Agent
SIGNATURE William A Ryan DATE 3/25/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36529

Approved by the
Utah Division of
Oil, Gas and Mining

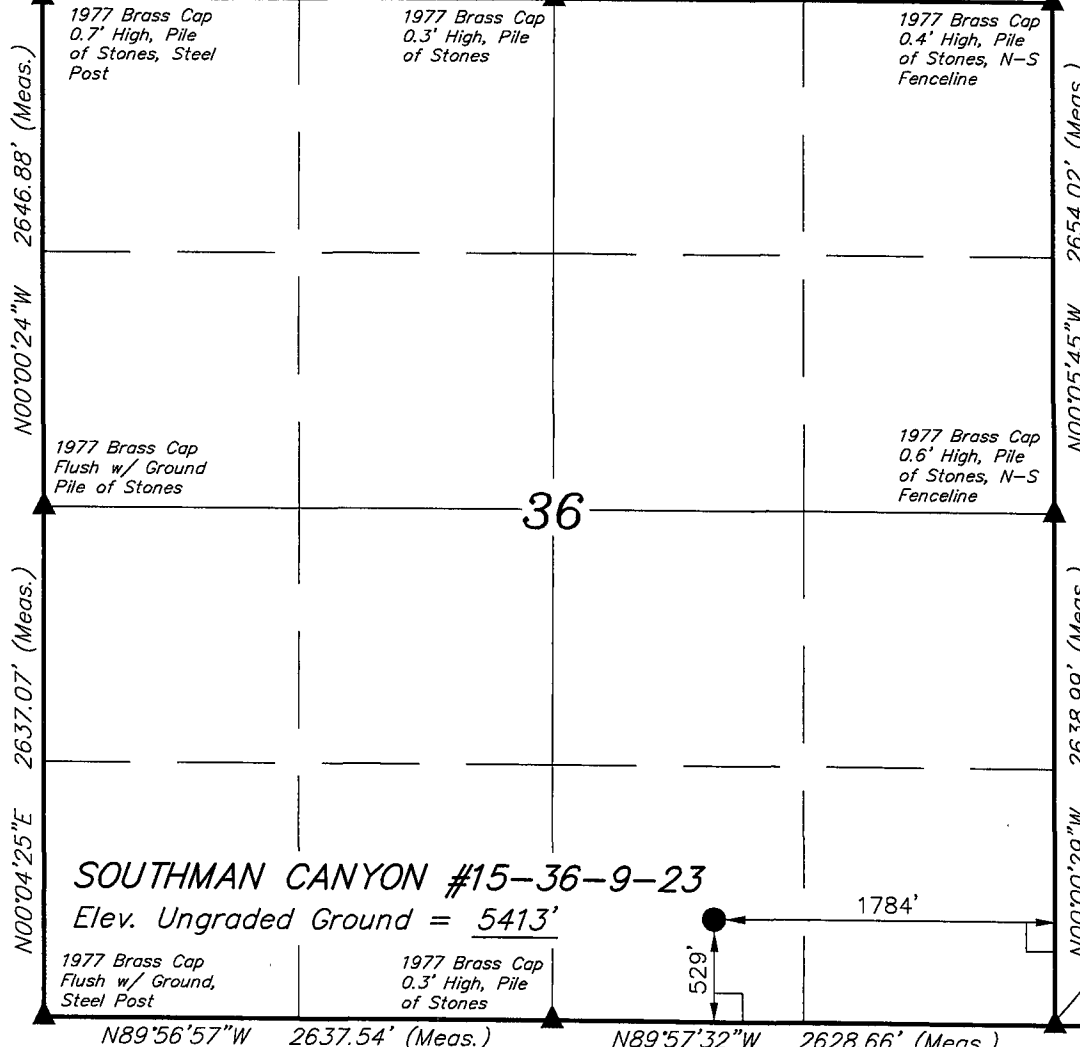
Date: 07-19-05
By: [Signature]

CONFIDENTIAL

T9S, R23E, S.L.B.&M.

R
23
E

R
24
E



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°59'12.02" (39.986672)

LONGITUDE = 109°16'20.60" (109.272389)

(AUTONOMOUS NAD 27)

LATITUDE = 39°59'12.14" (39.986706)

LONGITUDE = 109°16'18.17" (109.271714)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

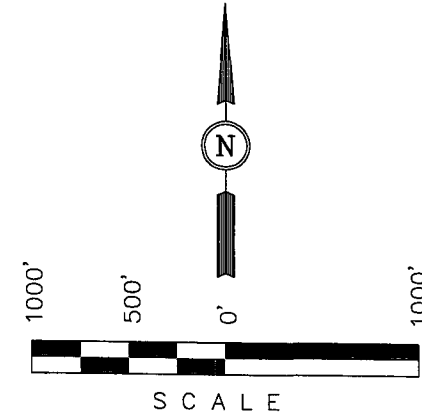
▲ = SECTION CORNERS LOCATED.

THE HOUSTON EXPLORATION COMPANY

Well location, SOUTHMAN CANYON #15-36-9-23, located as shown in the SW 1/4 SE 1/4 of Section 36, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (54EAM) LOCATED IN THE NW 1/4 OF SECTION 14, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5031 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John A. [Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161318
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 02-04-05	DATE DRAWN: 02-07-05
PARTY B.B. J.W. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE THE HOUSTON EXPLORATION COMPANY	

Ten Point Plan**The Houston Exploration Company****Southman Canyon #15-36-9-23**

Surface Location SW ¼ SE ¼, Section 36, T. 9S., R. 23E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,414' G.L.
Uteland Butte Limestone	3,978	+1,436'
Wasatch	4,081	+1,333'
Mesaverda	5,815	-401'
Buck Tounge	8,114	-2,700'
Castlegate	8,184	-2,770'
TD	8,165	-2,751'

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information

Off set well: Permitted/Drilled: Southman Canyon #1-36-9-23,
Southman Canyon #3-36-9-23, Southman Canyon #5-36-9-23,
Southman Canyon #7-36-9-23, Southman Canyon #9-36-9-23
Southman Canyon #11-36-9-23 Southman Canyon #13-36-9-23

Producing Wells: Southman Canyon #4D-36, Bonanza #1023-2A

Shut in Wells: Southman Canyon #2D-36, Southman Canyon #10D-36,
Southman Canyon #12D-36, Southman Canyon #16C-36
Southman Canyon #6D-36, PF #1-1

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	8 5/8	36#	J-55	STC	2000	NEW
7 7/8	4 1/2	11.6#	N-80	LTC	T.D.	NEW

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	8 5/8	Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft ³ /sk	11.0 ppg
Tail:	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft ³ /sk	15.6 ppg
Top Job:	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft ³ /sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft ³ /sk	11.0 ppg
Tail:	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Clear Water	-----	No Control	Water/Gel
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

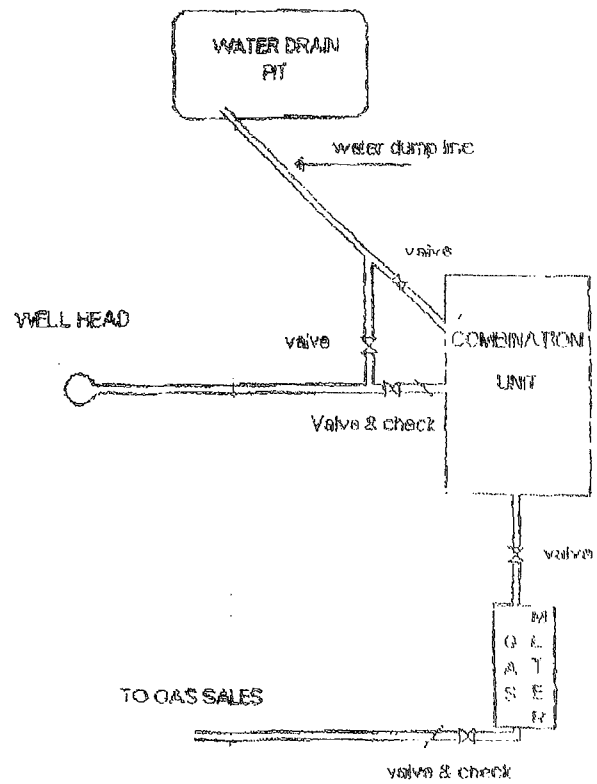
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

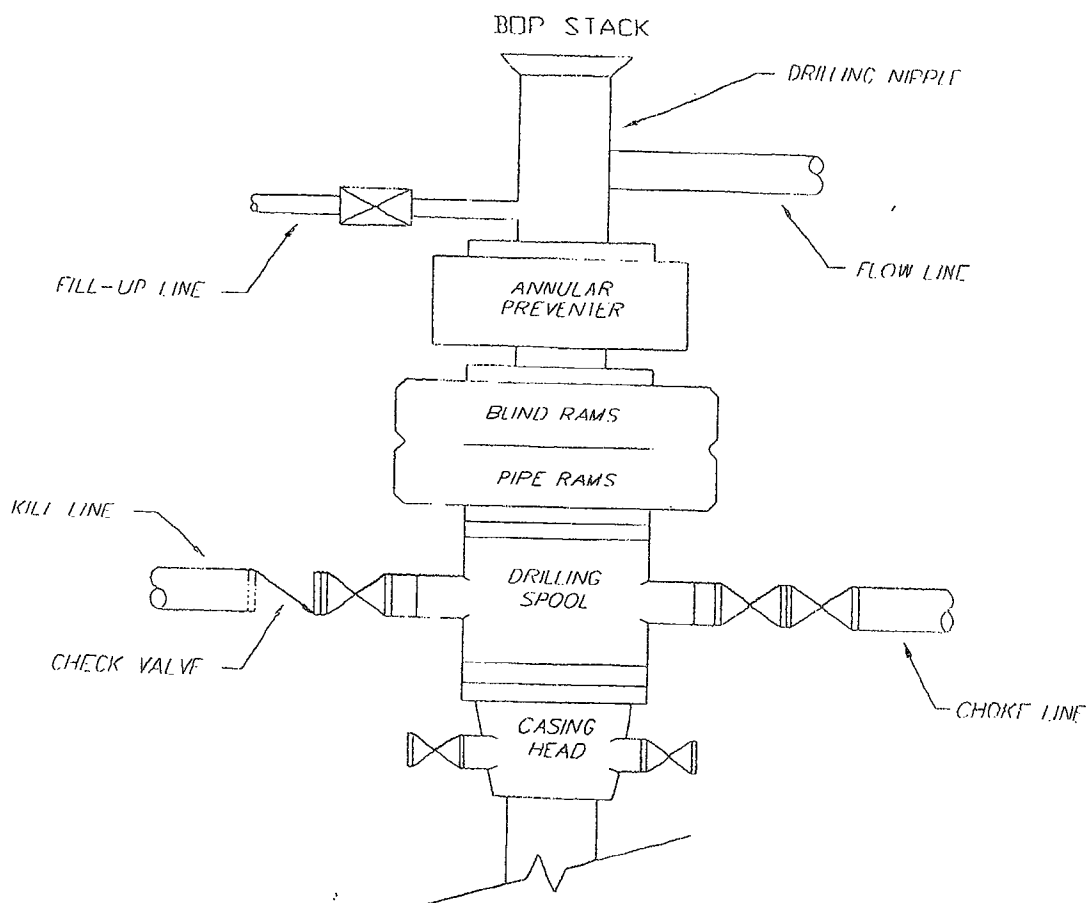
The anticipated starting date is 04/30/05. Duration of operations is expected to be 30 days.

TYPICAL
GAS WELL

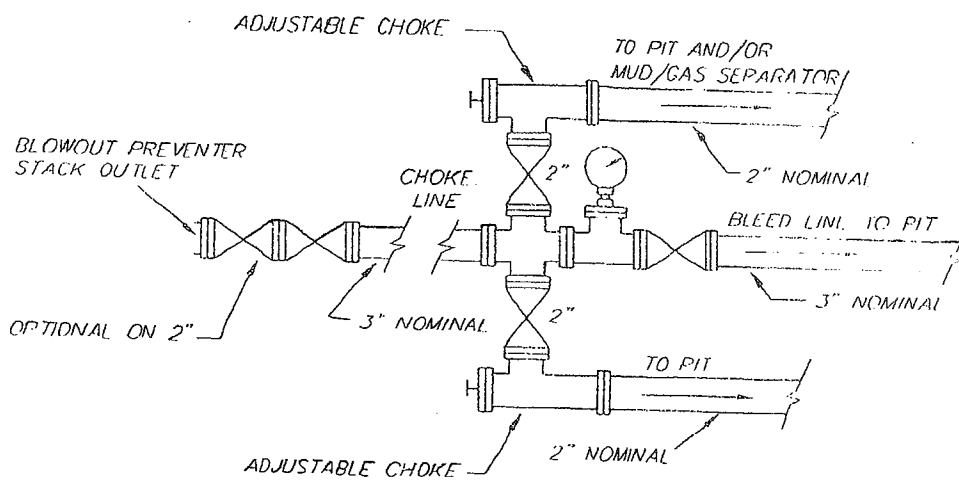


THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

SOUTHMAN CANYON 15-36-9-23

LOCATED IN SW $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 36, T. 9S, R23E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-⁴⁷⁷⁸²~~74482~~

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach The Houston Exploration Co well Southman Canyon 15-36-9-23 in Section 36, T9S, R 23E, starting in Vernal, Utah.

Proceed in a easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, direction approximately 36.6 miles to the junction of this road and an existing road to the west; turn right and proceed in a westerly, then northwesterly direction approximately 4.4 miles to the junction of this road and an existing road to the south; turn left and proceed in a southerly, then southeasterly direction approximately 4.5 miles to the junction of this road and an existing road to the north; turn right and proceed in a northerly, then northeasterly direction approximately 1.2 miles to the junction of this road and an existing road to the southeast; turn right and proceed in a southeasterly direction approximately 0.4 miles to the beginning of the proposed access to the southwest; follow road flags in a southwesterly direction approximately 0.15 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately **51.15 miles.**

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 792' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	792 ft
B) Right of Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	State
L) All new construction on lease	Yes
M) Pipe line crossing	None

Please see the attached location plat for additional details.

An off lease right of way will not be required.

All surface disturbances for the road and location will not be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

A) Producing well

Southman Canyon 4C-36

B#1023-2A

B) Water well **None**

C) Abandoned well **None**

D) Temp. abandoned well **None**

E) Disposal well **None**

F) Drilling /Permitted well

Southman Canyon 1-36-9-23

Southman Canyon 3-36-9-23

Southman Canyon 5-36-9-23

Southman Canyon 7-36-9-23

Southman Canyon 9-36-9-23

Southman Canyon 11-36-9-23

Southman Canyon 13-36-9-23

G) Shut in wells

Southman Canyon 2D-36

Southman Canyon 6D-36

Southman Canyon 10D-36

Southman Canyon 16C-36

Southman Canyon 12D-36

PF #1-1

H) Injection well **None**

I) Monitoring or observation well
None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than

six months or longer) structures constructed or installed will be painted a Desert Tan color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Tan.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 788' +/- of 3" gathering line would be constructed on State Lands. The line would tie into the existing pipeline in Sec. 36, T9S, R23E. The line will be strung and boomed to the south and east of the access road and location.

An off lease right of way will not be required.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from the White River at the Bonanza Bridge, Permit # T-75376.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel

or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to

hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 345 ft.
- B) Pad width 245 ft.
- C) Pit depth 12 ft.
- D) Pit length 150 ft.
- E) Pit width 75 ft.
- F) Max cut 20.5 ft.
- G) Max fill 7.6 ft
- H) Total cut yds. 9,200 cu yds.
- I) Pit location east side
- J) Top soil location
north & west end
- K) Access road location
east end
- L) Flare Pit corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to

the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,710 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from

the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches

and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by the
Authorized Officer.**

11. Surface ownership:

Access road	State
Location	State
Pipe line	State

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are

also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the White River located 2 miles to the South.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion

Prior to moving on the drilling rig.

- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative


William A. Ryan
290 S 800 E
Rocky Mountain Consulting
Vernal, UT 84078

Office 435-789-0968

Fax 435-789-0970
Cellular 435-828-0968

Date 3/25/05

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

SOUTHMAN CANYON #15-36-9-23

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T9S, R23E, S.L.B.&M.

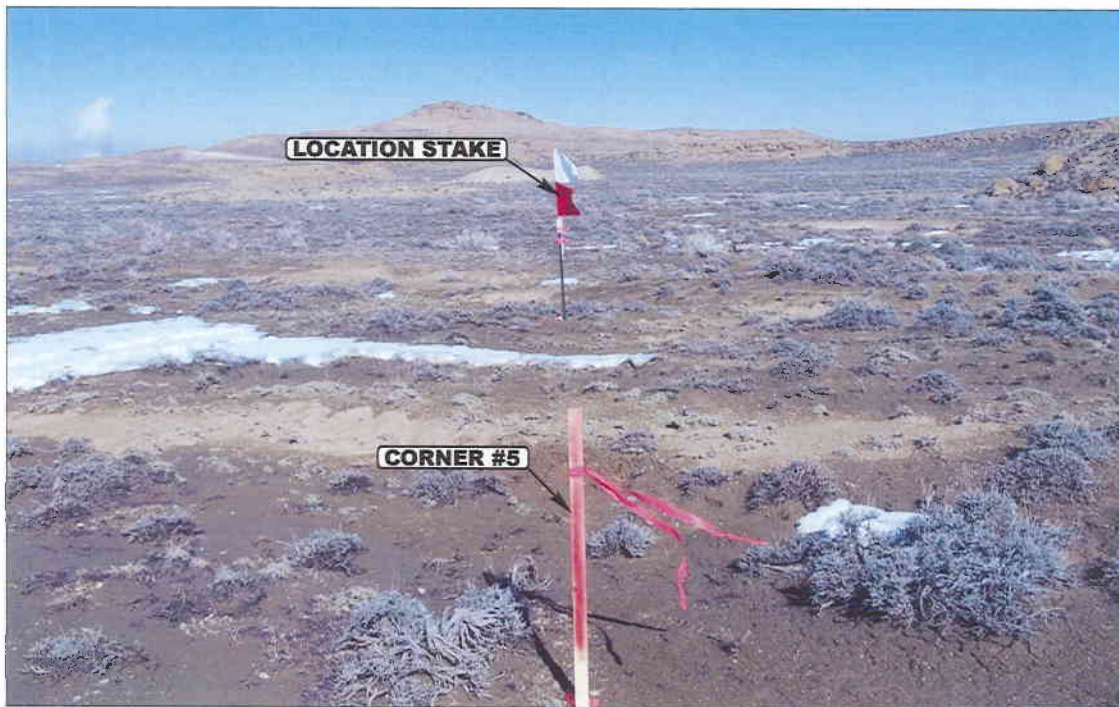


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

02 **08** **05**
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: C.P.

REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

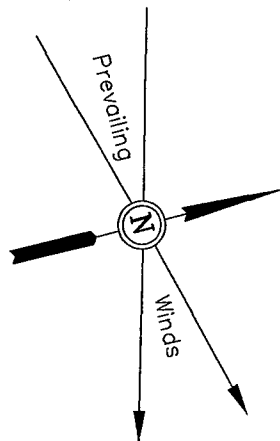
FIGURE #1

LOCATION LAYOUT FOR

SOUTHMAN CANYON #15-36-9-23

SECTION 36, T9S, R23E, S.L.B.&M.

529' FSL 1784' FEL



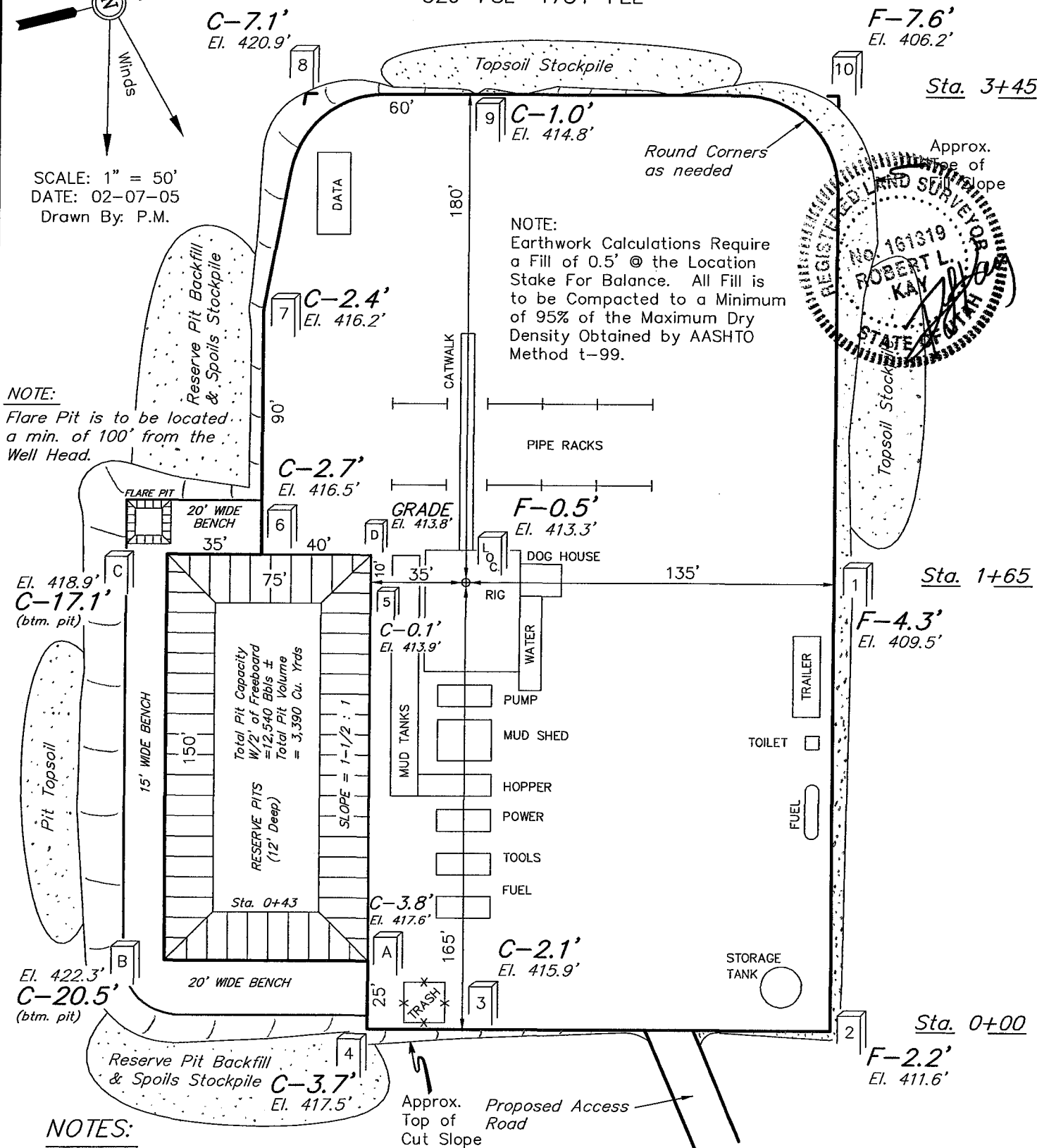
SCALE: 1" = 50'
DATE: 02-07-05
Drawn By: P.M.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

NOTE:

Earthwork Calculations Require a Fill of 0.5' @ the Location Stake For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5413.3'

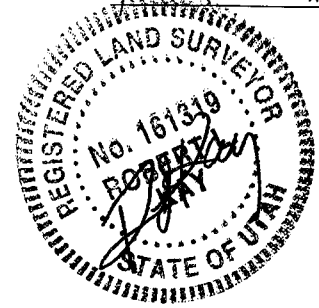
FINISHED GRADE ELEV. AT LOC. STAKE = 5413.8'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE HOUSTON EXPLORATION COMPANY

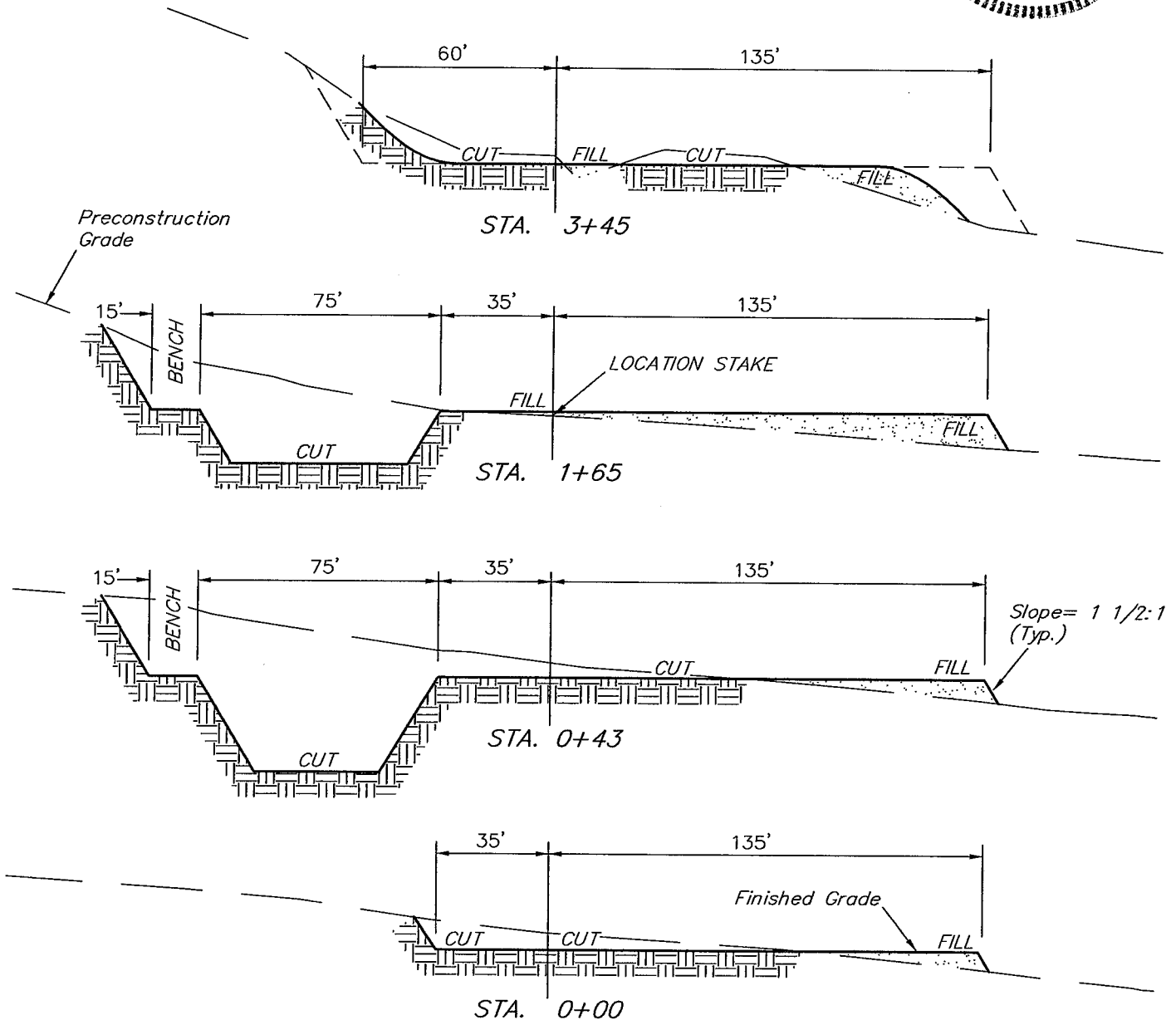
FIGURE #2

TYPICAL CROSS SECTIONS FOR
SOUTHMAN CANYON #15-36-9-23
SECTION 36, T9S, R23E, S.L.B.&M.
529' FSL 1784' FEL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 02-07-05
Drawn By: P.M.



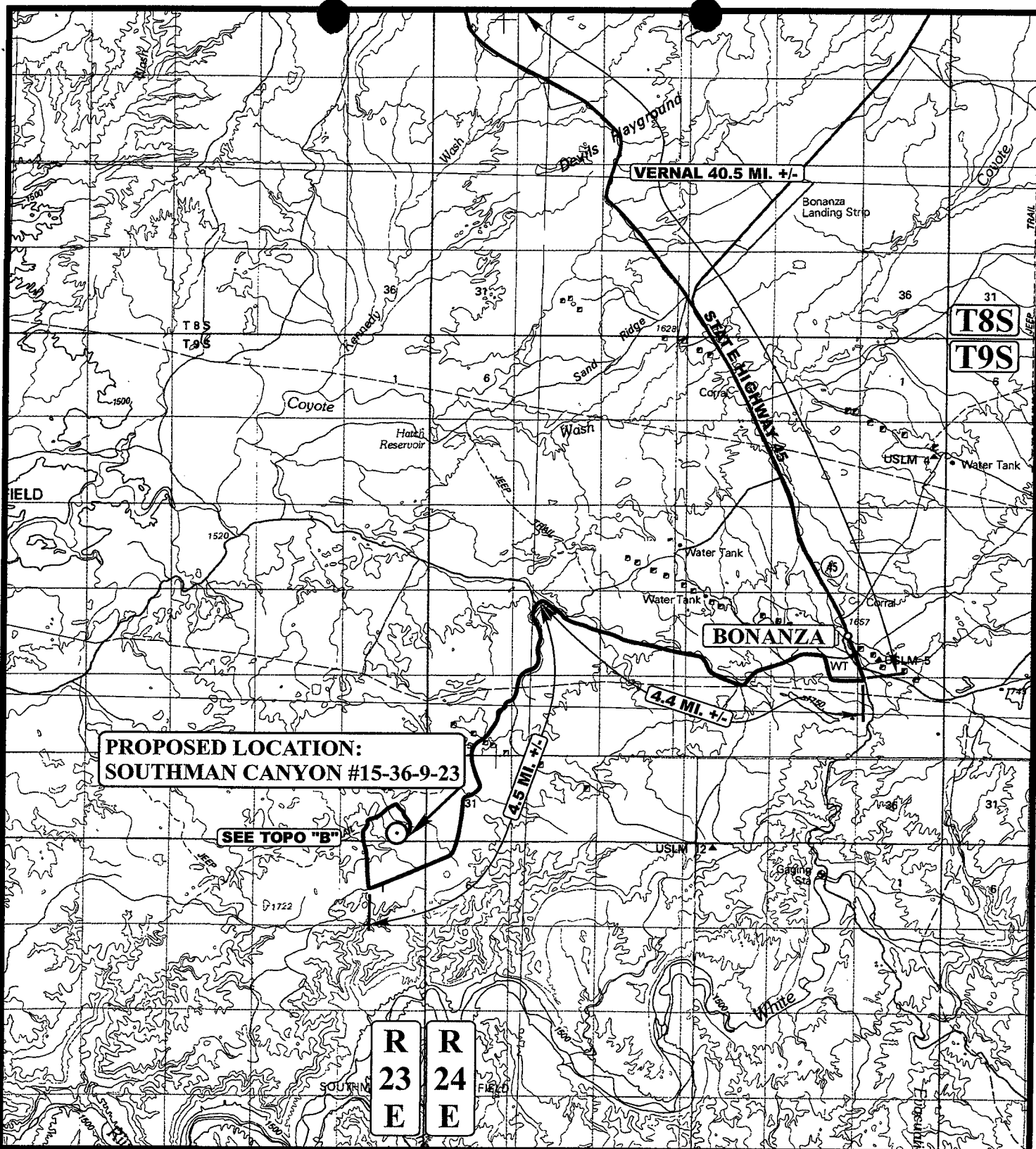
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,710 Cu. Yds.
Remaining Location	= 7,490 Cu. Yds.
TOTAL CUT	= 9,200 CU.YDS.
FILL	= 5,800 CU.YDS.

EXCESS MATERIAL	= 3,400 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,400 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



THE HOUSTON EXPLORATION COMPANY

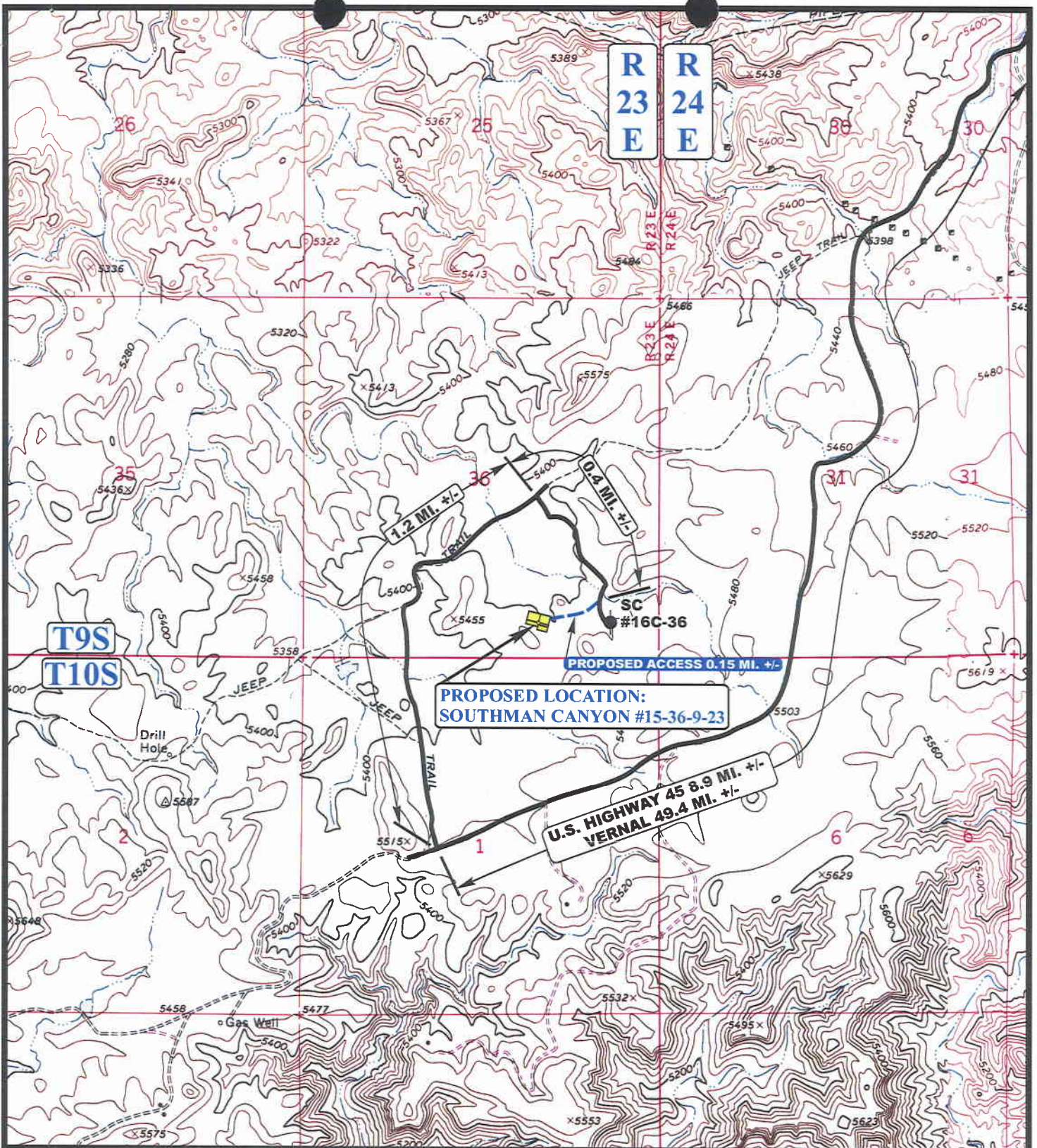
SOUTHMAN CANYON #15-36-9-23
 SECTION 36, T9S, R23E, S.L.B.&M.
 529' FSL 1784' FEL

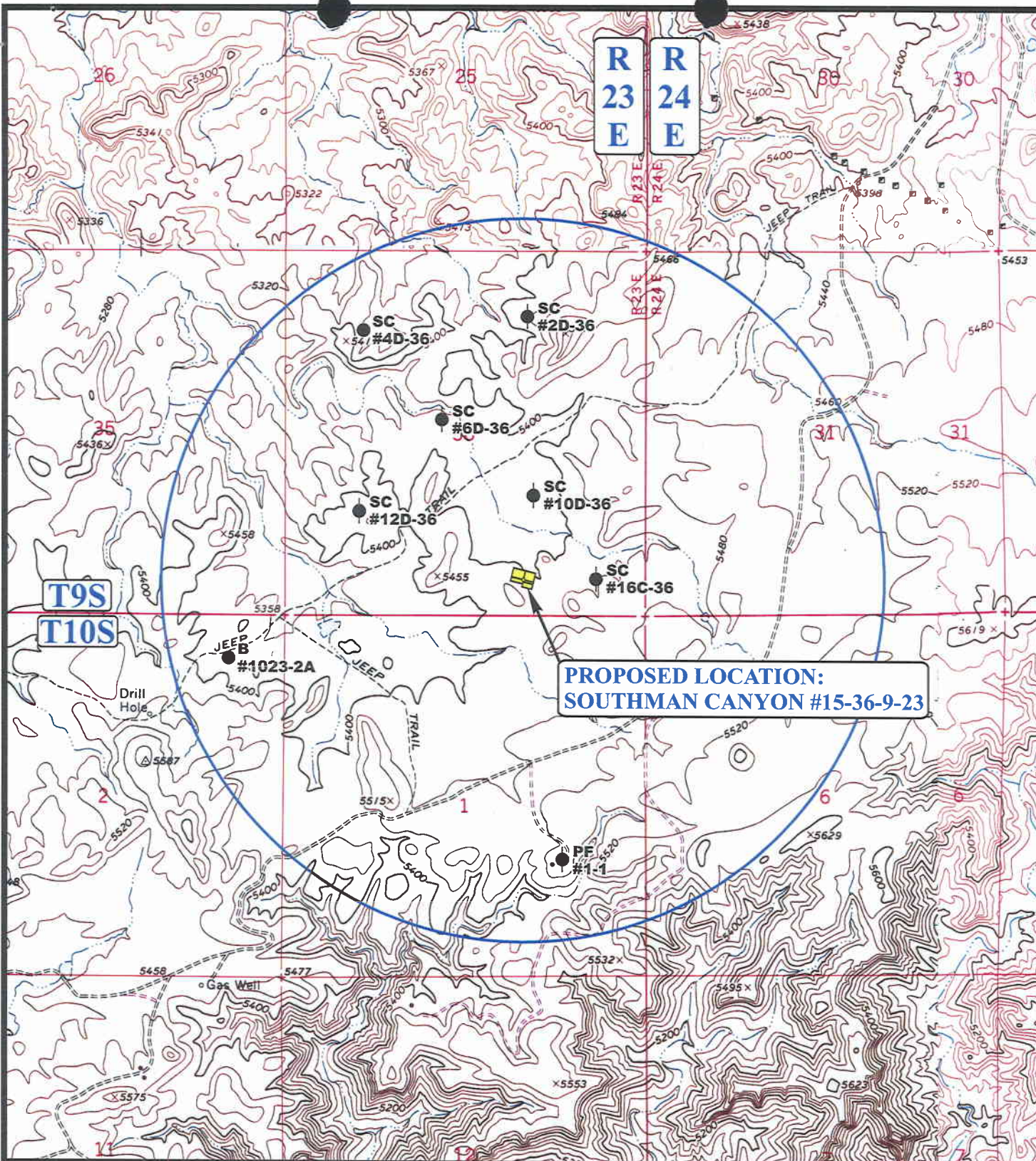
TOPOGRAPHIC
 MAP

02 08 05
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00







LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



THE HOUSTON EXPLORATION COMPANY

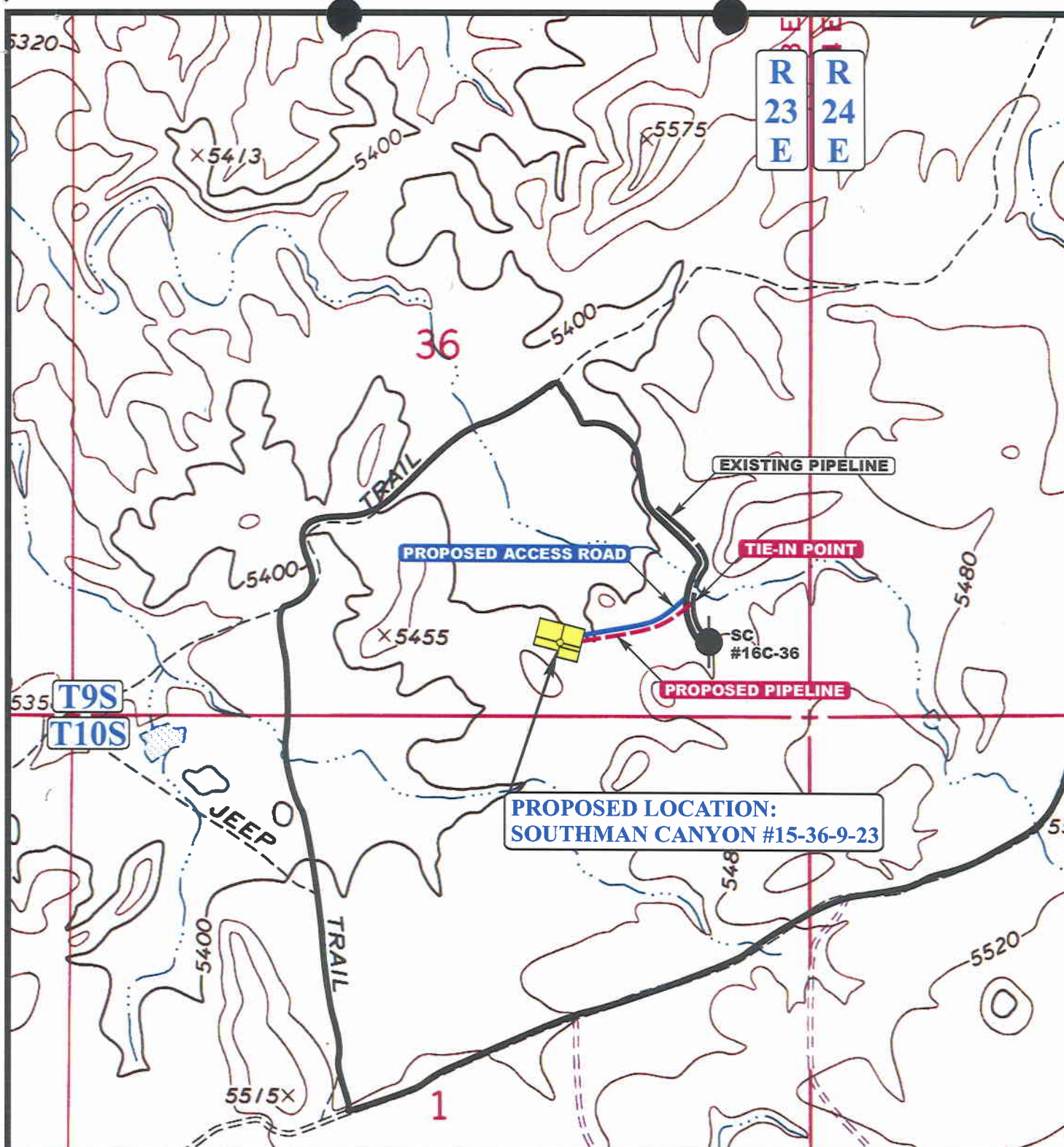
SOUTHMAN CANYON #15-36-9-23
SECTION 36, T9S, R23E, S.L.B.&M.
529' FSL 1784' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **02 08 05**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 788' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



THE HOUSTON EXPLORATION COMPANY

SOUTHMAN CANYON #15-36-9-23
SECTION 36, T9S, R23E, S.L.B.&M.
529' FSL 1784' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **02** **08** **05**
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/06/2005

API NO. ASSIGNED: 43-047-36529

WELL NAME: SOUTHMAN CYN 15-36-9-23

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSE 36 090S 230E

SURFACE: 0529 FSL 1784 FEL

BOTTOM: 0529 FSL 1784 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47782

SURFACE OWNER: 3 - State

PROPOSED FORMATION: CSLGT

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.98662

LONGITUDE: -109.2717

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[]
 (No. 104155044)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
 (No. T-75376)

☒ RDCC Review (Y/N)
 (Date: _____)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit _____

☒ R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

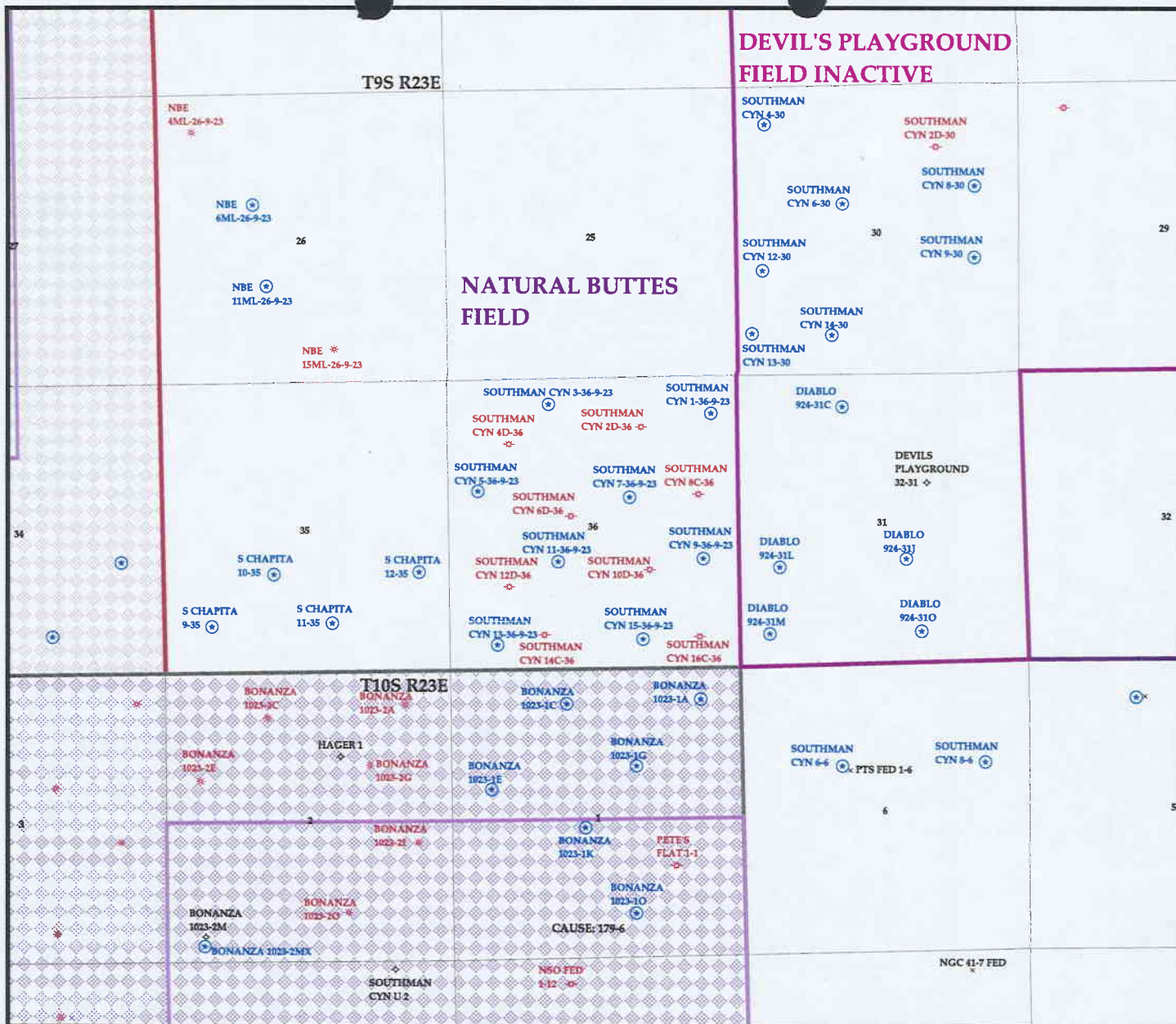
Board Cause No: _____

Eff Date: _____

Siting: _____

R649-3-11. Directional Drill

COMMENTS: Needs Drawn (04-19-05)STIPULATIONS: 1- Spacing Strip2- STATEMENT OF BASIS3- 4 1/2" prod. string Cmt shall be brought back to # 3200' m¹ to isolate Bmsu



OPERATOR- THE HOUSTON EXPL CO (N2525)

SEC. 36 T.9S R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING

Wells

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✱ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⊕ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✱ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ♢ WATER SUPPLY
- ♢ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 08-APRIL-2005

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: THE HOUSTON EXPLORATION COMPANY

WELL NAME & NUMBER: SOUTHMAN CANYON 15-36-9-23

API NUMBER: 43-047-36529

LEASE: ML-47782 FIELD/UNIT: NATURAL BUTTES

LOCATION: 1/4, 1/4 SW/SE Sec: 36 TWP: 9S RNG: 23E 1784' FEL 529' FSL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 647568E 4427501N SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM). FLOYD BARTLETT (DWR). GINGER STRINGHAM (HOUSTON).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS ON A BROKEN PLAIN THAT SLOPES GENTLY TO THE NORTHWEST, AND IS MODERATELY RUGGED WITH RIDGES, BUTTES, AND MODERATELY DEEP, INCISED DRAINAGES. MOST OF THIS REGION DRAINS BY A SERIES OF DENDRITIC STREAMS WHICH FLOW WEST, THEN SOUTH TO THE WHITE RIVER. THIS SITE IS IN A VERY SHALLOW BASIN THAT SLOPES GRADUALLY TO THE NORTH. THE IMMEDIATE AREA IS MODERATELY DISSECTED BY SHALLOW EROSIONAL CHANNELS THAT DRAIN TO THE NORTHWEST BEFORE TURNING TO THE WEST. THE WHITE RIVER IS 2.0 MILES TO THE SOUTH. THERE IS A RUGGED, SANDSTONE OUTCROPPING 500' TO THE EAST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 345' BY 245'. ACCESS ROAD WILL BE 0.15 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): UNLIKELY.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE

TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY
COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND
HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGE, GREASEWOOD, HORSEBRUSH, PRICKLY PEAR, SHADSCALE:
ANTELOPE, RODENTS, RAPTORS, SONGBIRDS, BOBCAT, COYOTE, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION
SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED

RESERVE PIT

CHARACTERISTICS: 150' BY 75' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE
REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY SAGEBRUSH
ARCHEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON
FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY WITH NO
SNOW COVER.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

4/19/05, 11:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 10 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: SOUTHMAN CANYON 15-36-9-23
API NUMBER: 43-047-36529
LOCATION: 1/4, 1/4 SW/SE Sec: 36 TWP: 9S RNG: 23E 1784' FEL 529' FSL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,400 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 04-21-05

Surface:

The predrill investigation of the surface was performed on 04/19/05. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 04/11/05. Mr. Bartlett was present. He had no concerns regarding the construction of this location or the drilling of the well. SITLA did not have a representative present. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. Earthwork calculations require a fill of 1/2' at the location stake. This fill must be compacted to support drilling rig substructure.

Reviewer: David W. Hackford **Date:** 04/21/2005

Conditions of Approval/Application for Permit to Drill:

None.

Well name: **04-05 Houston Southman Cyn 15-36-9-23**
 Operator: **The Houston Exploration Company**
 String type: **Surface**
 Location: **Uintah County**
 Project ID:
43-047-36529

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 93 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: 0 ft

Burst

Max anticipated surface pressure: 1,760 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on buoyed weight.
 Neutral point: 1,749 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,165 ft
 Next mud weight: 10.000 ppg
 Next setting BHP: 4,242 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,000 ft
 Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	8.625	36.00	J-55	ST&C	2000	2000	7.7	143.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	3450	3.953	2000	4460	2.23	63	434	6.89 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 810-359-3940

Date: April 22, 2005
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name: **04-05 Houston Southman Cyn 15-36-9-23**
 Operator: **The Houston Exploration Company**
 String type: **Production** Project ID: **43-047-36529**
 Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 10.000 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 179 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 4,354 ft

Burst

Max anticipated surface pressure: 3,262 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 4,242 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 6,944 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8165	4.5	11.60	N-80	LT&C	8165	8165	3.875	189.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4242	6350	1.497	4242	7780	1.83	81	223	2.77 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 801-359-3940

Date: April 22, 2005
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8165 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Casing Schematic

Green River

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

w/18% Washcoat

1230 TOC Tail

Surface
2000. MD

BHP

$$(0.052)(10)(8165) = 4245$$

Anticipate 3,000

Gas

$$(0.12)(8165) (= 980)$$

MAASP = 2000

BSP - 3,000 ✓

$$\text{Surf csg} = 4460$$

$$70\% = 3122$$

Max shoe pressure = 1635

Test TO 1600# ✓

4-1/2"
MW 10.

✓ Adequate DAD 5/9/05

3400 BMSL

STIP

TOC ± 3400'

protect BMSL

4081 Washcoat

TOC @
4354.

w/15% Washcoat

TOC 3400' w/ 6% Washcoat

5815 Mesaverde

6313 TOC Tail

Production
8165. MD

From: Ed Bonner
To: Whitney, Diana
Date: 7/18/2005 1:37:58 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Houston Exploration Company
Southman Canyon 1-36-9-23
Southman Canyon 3-36-9-23
Southman Canyon 5-36-9-23
Southman Canyon 7-36-9-23
Southman Canyon 9-36-9-23
Southman Canyon 15-36-9-23

Dominion Exploration & Production, Inc
LCU 5-2H
LCU 11-2H
LCU 14-36F

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 19, 2005

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: Southman Canyon 15-36-9-23 Well, 529' FSL, 1784' FEL, SW SE,
Sec. 36, T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36529.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Houston Exploration Company
Well Name & Number Southman Canyon 15-36-9-23
API Number: 43-047-36529
Lease: ML-47782

Location: SW SE Sec. 36 T. 9 South R. 23 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. The 4 ½" production string cement shall be brought back to $\pm 3200'$ minimum to isolate base of moderately saline ground water.
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Southman Canyon 15-36-9-23
API number:	4304736529
Location:	Qtr-Qtr: SWSE Section: 36 Township: 9S Range: 23E
Company that filed original application:	Houston Exploration Company
Date original permit was issued:	07/19/2005
Company that permit was issued to:	Houston Exploration Company

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		✓
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u>	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) ALEX CAMPBELL Title VICE PRESIDENT OF LAND
Signature [Signature] Date 09/19/2005
Representing (company name) ENDURING RESOURCES, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

The Houston Exploration Company *N2525*

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste 2000

CITY Houston

STATE TX

ZIP 77002

PHONE NUMBER:

(713) 830-6938

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

See Attached List

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION



NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

Effective

9/1/05



SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE 9/1/05



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC
475 17th Street, Ste 1500
Denver, CO 80202

Operator #N 2750

Utah State Bond #RLB0008031

Contact: Frank Hutto 303-350-5102

Frank Hutto
Signature & Title

Date

9/19/05

VP. OPS

NAME (PLEASE PRINT) Joanne Hresko

TITLE

Vice President/General Manager Onshore

SIGNATURE

Joanne Hresko

DATE

9/2/2005

(This space for State use only)

APPROVED

9/29/2005

Earlene Russell
Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

TRANSFER OF OPERATOR

NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH
DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

API Well Number	Well Name	Well Status	Qtr/Qtr	Section	Township-Range	FNL/FSL	FEL/FWL	Latitude	Longitude
43047355550000	Bonanza #10D-18	SI	NWSE	18	9S-24E	1437 S	1800 E	40.03340	-109.25282
43047355510000	Bonanza #12D-12	Producing	NWSW	12	9S-23E	1556 S	867 W	40.04788	-109.28055
43047356930000	Bonanza #2D-27	Producing	NWNE	27	9S-24E	1064 N	1824 E	40.01123	-109.19600
43047359080000	Bonanza 10-11	Producing	NWSE	11	9S-23E	1991 S	1755 E	40.04866	-109.29035
43047356920000	Bonanza 10D-8	SI	NWSE	8	9S-24E	1510 S	1768 E	40.04789	-109.23383
43047355520000	Bonanza 1-11	Producing	NWNW	11	9S-23E	990 N	990 E	40.05431	-109.29891
43047359290000	Bonanza 12-20	Drig	NWSW	20	9S-25E	1998 S	825 W	40.01947	-109.13150
43047-359210000	Bonanza 12A-18	Producing	NWSW	18	9S-24E	2067 S	813 W	40.03430	-109.26242
43047359090000	Bonanza 14-12	Evaluating	SESW	12	9S-23E	505 S	2001 W	40.04455	-109.27693
43047359940000	Bonanza 4-18	WOPL	NWNW	18	9S-24E	706 N	682 W	40.04119	-109.26288
43047-356220000	Bonanza 4D-16	Producing	NWNW	16	9S-24E	1152 N	1209 W	40.04000	-109.22349
43047358600000	Bonanza 6-36	Producing	SESW	36	9S-24E	2217 N	2009 W	39.99336	-109.16393
43047359120000	Bonanza 6B-8	Producing	SESW	8	9S-24E	2017 N	1878 W	40.05213	-109.24004
43047359200000	Bonanza 8D-7	Producing	SENE	7	9S-24E	1992 N	477 E	40.05220	-109.24845
43047359050000	Buck Canyon 15-24	P&A	SW/SE	24	12S-21E	700 S	2139 E	39.75386	-109.5134
43047348150000	Cartwright 2-35	TA	NWNE	35	9S-24E	858 N	2104 E	39.99733	-109.17882
43047332510000	East Bench 11-16	WOC	NESW	16	11S-22E	S S	1980 W	39.85889	-109.46172
43047347560000	Hoss 15	Producing	SWSE	20	9S-25E	1291 S	2088 E	40.01767	-109.12236
43047348140000	Little Joe 11-7	TA	NENE	7	9S-25E	710 N	644 E	40.05562	-109.13601
43047361500000	Rainbow 14-17	WOC	SESW	17	11S-24E	780 S	1726 W	39.85689	-109.25731
43047361840000	Rainbow 2-16	WOC	NWNE	16	11S-24E	837 N	2136 E	39.86708	-109.23348
43047353630000	Southman Canyon 10D-36	Producing	NWSE	36	9S-23E	1757 S	1650 E	39.98991	-109.27148
43047353640000	Southman Canyon 12D-36	Producing	NWSW	36	9S-23E	1518 S	1069 W	39.98977	-109.28040
43047357700000	Southman Canyon 14C-36	Producing	SESW	36	9S-23E	648 S	1717 W	39.98689	-109.27716
43047357720000	Southman Canyon 16C-36	Producing	SESE	36	9S-23E	542 S	736 E	39.98607	-109.26912
43047356910000	Southman Canyon 2D-30	Producing	NWNE	30	9S-24E	1171 N	1502 E	40.01111	-109.25269
43047353650000	Southman Canyon 2D-36	Producing	NWNE	36	9S-23E	960 N	1751 E	39.99711	-109.27228
43047353610000	Southman Canyon 4D-36	Producing	NWNW	36	9S-23E	1163 N	1137 W	39.99623	-109.28012
43047353620000	Southman Canyon 6D-36	Producing	SESW	36	9S-23E	2466 N	2271 W	39.99336	-109.27635
43047357710000	Southman Canyon 8C-36	Producing	SENE	36	9S-23E	2185 N	694 E	39.99358	-109.26783
43047355590000	Thurston Federal #12-1	Producing	SESW	12	12S-21E	692 S	1959 W	39.78280	-109.51768

TRANSFER OF OPERATOR BLM APPROVED WELLS #2

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Asphalt Wash 19-7	SW/SW	7	11S	24E	UTU-73010	739' FSL & 629' FWL	43-047-36234
Bonanza 16-18	SE/SE	18	9S	24E	UTU-73457	861' FSL & 715' FEL	43-047-35992
Bonanza 4-11	NW/NW	11	9S	23E	UTU-74426	671' FNL & 729' FWL	43-047-35968
Bonanza 10D-12	NW/SE	12	9S	23E	UTU-74426	1,785' FSL & 1,855' FEL	43-047-35919
Bonanza 12-11	NW/SW	11	9S	23E	UTU-74426	1748' FSL & 420' FWL	43-047-35916
Bonanza 14-18	SE/SW	18	9S	24E	UTU-73457	472' FSL & 2,010' FWL	43-047-35993
Bonanza 14A-8	SE/SW	8	9S	24E	UTU-73457	907' FSL & 2,298' FWL	43-047-35952
Bonanza 16A-27	SE/SE	27	9S	24E	UTU-80571	862' FSL & 581' FEL	43-047-35923
Bonanza 2-21	NW/NE	21	8S	25E	UTU-73470	1,207' FNL & 1,541' FEL	43-047-35926
Bonanza 3-8	NW/NW	8	9S	24E	UTU-73457	573' FNL & 1,518' FWL	43-047-35966
Bonanza 6D-7	SE NW	7	9S	24E	UTU-73457	2,310' FNL & 2,310' FWL	43-047-35690
Bonanza 8-11	SE/NE	11	9S	23E	UTU-74426	2,163 FNL & 615' FEL	43-047-35907
Bonanza 8B-27	SE/NE	27	9S	24E	UTU-80571	1,830' FNL & 735' FEL	43-047-35923
Buck Camp 4-25	NW/NW	25	11S	22E	UTU-74424	804 FNL & 695 FWL	43-047-36276
Buck Camp 4-26	NW/NW	26	11S	22E	UTU-74974	660' FNL & 660' FWL	43-047-36274
Buck Canyon 1-24	NE/NE	24	12S	21E	UTU-73440	488' FNL & 833' FEL	43-047-35606
Buck Canyon 15-24	SW/SE	24	12S	21E	UTU-73440	760' FSL & 2,139' FEL	43-047-35905
Buck Canyon 7-24	SW/NE	24	12S	21E	UTU-73440	2,041' FNL & 2,171' FEL	43-047-35904
Buck Canyon 9-24	NE/SE	24	12S	21E	UTU-73440	1784' FSL & 855' FEL	43-047-35903
Rainbow 1-17	NE/NE	17	11S	24E	UTU-73920	795' FNL & 586' FEL	43-047-36151
Southman Canyon #14-30	SE/SW	30	9S	24E	UTU-80571	740' FSL & 1,737' FWL	43-047-35914
Southman Canyon #4C-30	NW/NW	30	9S	24E	UTU-80571	676' FNL & 568' FWL	43-047-35913
Southman Canyon 12-30	NW/SW	30	9S	24E	UTU-80571	1,912' FSL & 513' FWL	43-047-36104
Southman Canyon 8-30	SE/NE	30	9S	24E	UTU-80571	1,875' FNL & 818' FEL	43-047-35994
Southman Canyon 9-30	NE/SE	30	9S	24E	UTU-80571	2,089' FSL & 831' FEL	43-047-36019

★ 43047-35906
• 43047-35953

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

43

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Asphalt Wash 11-16-11-24	NESW	16	11S	24E	ML-73921	2000 FSL & 1900 FWL	43-047-37088	Undesignated	Gas
Asphalt Wash 12-16-11-24	NWSW	16	11S	24E	ML-47080	2060 FSL & 839 FWL	43-047-36873	Undesignated	Gas
Asphalt Wash 14-16-11-24	SESW	16	11S	24E	ML-47080	537 FSL & 2140 FWL	43-047-36876	Undesignated	Gas
Asphalt Wash 3-16-11-24	NENW	16	11S	24E	ML-47080	825 FNL & 2116 FWL	43-047-36886	Undesignated	Gas
Asphalt Wash 4-16-11-24	NWNW	16	11S	24E	ML-47080	521 FNL & 766 FWL	43-047-36885	Undesignated	Gas
Asphalt Wash 5-16-11-24	SWNW	16	11S	24E	ML-47080	1880 FNL & 630 FWL	43-047-37089	Undesignated	Gas
Asphalt Wash 7-16-11-24	SWNE	16	11S	24E	ML-47080	1781 FNL & 1676 FEL	43-047-36874	Undesignated	Gas
Asphalt Wash 8-16-11-24	SENE	16	11S	24E	ML-47080	1905 FNL & 642 FEL	43-047-36875	Undesignated	Gas
Bonanza 14-20	SESW	20	9S	25E	ML-45558	838' FSL & 1,922' FWL	43-047-35930	Chapita Wells	Gas
Bonanza 4-20	NWNW	20	9S	25E	ML-45558	933' FNL & 583 FWL	43-047-35924	Chapita Wells	Gas
Bonanza 4-29	NWNW	29	9S	25E	ML-45559	600' FNL & 596' FWL	43-047-36010	Chapita Wells	Gas
Bonanza 4-36	NWNW	36	9S	24E	ML-46527	258' FNL & 862' FWL	43-047-35861	Natural Buttes	Gas
Bonanza 6-20	SENW	20	9S	25E	ML-45558	2,178' FNL & 1,839' FWL	43-047-35928	Chapita Wells	Gas
Buck Canyon 9-16-12-21	NESE	16	12S	21E	ML-47085	1980' FSL & 660' FEL	43-047-37091	Buck Canyon	Gas
Buck Canyon 11-16-12-21	NESW	16	12S	21W	ML-47085	NA	43-047-37119	Undesignated	Gas
Buck Canyon 13-16-21-21	SWSW	16	21S	21W	ML-47085	NA	43-047-37118	Undesignated	Gas
Buck Canyon 15-16-12-21	SWSE	16	12S	21W	ML-47085	NA	43-047-37120	Buck Canyon	Gas
East Bench 1-16	NENE	16	11S	22E	ML-46911	660' FNL & 660' FEL	43-047-36126	Undesignated	Gas
East Bench 15-16	SWSE	16	11S	22E	ML-46911	545' FSL & 1,848' FEL	43-047-36128	Undesignated	Gas
East Bench 3-16	NENW	16	11S	22E	ML-46911	832' FNL & 1,978' FWL	43-047-36125	Undesignated	Gas
East Bench 7-16	SWNE	16	11S	22E	ML-46911	1,909' FNL & 1,643' FEL	43-047-36127	Undesignated	Gas
East Bench 12-16-11-22	NWSW	16	11S	22E	ML-46911	1862 FSL & 838 FEL	43-047-37128	Undesignated	Gas
East Bench 13-16-11-22	SWSW	16	11S	22E	ML-46911	880 FSL & 750 FWL	43-047-37130	Undesignated	Gas
East Bench 14-16-11-22	SESW	16	11S	22E	ML-46911	848 FSL & 1930 FWL	43-047-37122	Undesignated	Gas
East Bench 16-16-11-22	SESE	16	11S	22E	ML-46911	663 FSL & 1055 FEL	43-047-37121	Undesignated	Gas
East Bench 2-16-11-22	NWNE	16	11S	22E	ML-46911	705 FNL & 2077 FEL	43-047-37125	Undesignated	Gas
East Bench 4-16-11-22	NWNW	16	11S	22E	ML-46911	760 FNL & 860 FWL	43-047-37126	Undesignated	Gas
East Bench 5-16-11-22	SWNW	16	11S	22E	ML-46911	1980 FNL & 758 FWL	43-047-37129	Undesignated	Gas
East Bench 6-16-11-22	SENW	16	11S	22E	ML-46911	1887 FNL & 2138 FWL	43-047-37124	Undesignated	Gas
East Bench 8-16-11-22	SENE	16	11S	22E	ML-46911	1880 FNL & 780 FEL	43-047-37127	Undesignated	Gas
East Bench 9-16-11-22	NESE	16	11S	22E	ML-46911	2035 FSL & 1422 FEL	43-047-37123	Undesignated	Gas
Gusher 6-2	SENW	2	6S	19E	ML-49144	1550 FNL & 1825 FWL	43-047-36963	Moffit Canal	Oil
Hanging Rock 1-32	NENE	32	11S	23E	ML-47079	542' FNL & 690' FEL	43-047-36309	Undesignated	Gas
Little Pack Mountain 1-16	NWNW	16	12S	20E	ML-47082	609 FNL & 688 FEL	43-047-36981	Wildcat	Gas
Little Pack Mountain 7-32	SWNE	32	12S	20E	ML-47083	1792 FNL & 1797 FEL	43-047-36980	Wildcat	Gas
Rock House 12-36-10-23	NWSW	36	10S	23E	ML-47907	1844 FSL & 755 FWL	43-047-36534	Natural Buttes	Gas
Rock House 13-32-10-23	SWSW	32	10S	23E	ML-47063	564 FSL & 471 FWL	43-047-36411	Natural Buttes	Gas
Rock House 1-36-10-22	NENE	36	10S	22E	ML-47061	620 FNL & 850 FEL	43-047-36408	Natural Buttes	Gas
Rock House 3-36-10-22	NENW	36	10S	22E	ML-47061	934 FNL & 1783 FWL	43-047-36407	Natural Buttes	Gas
Rock House 4-32-10-23	SWNW	32	10S	23E	ML-47063	1406 FNL & 562 FWL	43-047-36412	Natural Buttes	Gas
Rock House 7-36-10-22	SWNE	36	10S	22E	ML-47061	2209 FNL & 2445 FEL	43-047-36409	Natural Buttes	Gas
Rock House 9-32-10-23	NESE	32	10S	23E	ML-47063	2008 FSL & 1042 FEL	43-047-36327	Natural Buttes	Gas
Rockhouse #13-36	SWSW	36	10S	22E	ML-46907	486 FSL & 844' FWL	43-047-35902	Natural Buttes	Gas
Rockhouse 16-2	SESE	2	11S	23E	ML-47078	909' FSL & 748' FEL	43-047-36152	Rockhouse	Gas
Seep Springs 10-13-12-24	NWSE	13	12S	24E	ML-49275	1950 FSL & 1802 FEL	43-047-36634	Undesignated	Gas
Seep Springs 1-13-12-24	NENE	13	12S	24E	ML-49275	753 FNL & 487 FEL	43-047-36628	Undesignated	Gas
Seep Springs 15-11-12-24	SWSE	11	12S	24E	ML-49274	829 FSL & 2178 FEL	43-047-36626	Undesignated	Gas
Seep Springs 15-13-12-24	SWSE	13	12S	24E	ML-49275	622 FSL & 1806 FEL	43-047-36630	Undesignated	Gas
Seep Springs 16-11-12-24	SESE	11	12S	24E	ML-49274	659 FSL & 466 FEL	43-047-36625	Undesignated	Gas
Seep Springs 16-13-12-24	SESE	13	12S	24E	ML-49275	686 FSL & 640 FEL	43-047-36629	Undesignated	Gas
Seep Springs 2-13-12-24	NWNE	13	12S	24E	ML-49275	465 FNL & 1807 FEL	43-047-36627	Undesignated	Gas
Seep Springs 7-13-12-24	SWNE	13	12S	24E	ML-49275	FNL & FEL	43-047-36631	Undesignated	Gas
Seep Springs 8-13-12-24	SENE	13	12S	24E	ML-49275	1969 FNL & 642 FEL	43-047-36632	Undesignated	Gas
Seep Springs 9-13-12-24	NESE	13	12S	24E	ML-49275	663 FSL & 1960 FEL	43-047-36633	Undesignated	Gas
Southman Canyon 11-36-9-23	NESW	36	9S	23E	ML-47782	1965 FSL & 1953 FWL	43-047-36535	Natural Buttes	Gas
Southman Canyon 13-36-9-23	SWSW	36	9S	23E	ML-47782	467 FSL & 823 FWL	43-047-36532	Natural Buttes	Gas

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Southman Canyon 1-36-9-23	NENE	36	9S	23E	ML-47782	681 FNL & 496 FEL	43-047-36537	Natural Buttes	Gas
Southman Canyon 15-36-9-23	SWSE	36	9S	23E	ML-47782	529 FSL & 1784 FEL	43-047-36529	Natural Buttes	Gas
Southman Canyon 3-36-9-23	NENW	36	9S	23E	ML-47782	464 FNL & 1815 FWL	43-047-36530	Natural Buttes	Gas
Southman Canyon 5-36-9-23	SWNW	36	9S	23E	ML-47782	2028 FNL & 499 FWL	43-047-36531	Natural Buttes	Gas
Southman Canyon 7-36-9-23	SENE	36	9S	23E	ML-47782	2184 FNL & 1994 FEL	43-047-36536	Natural Buttes	Gas
Southman Canyon 9-36-9-23	NESE	36	9S	23E	ML-47782	1978 FNL & 657 FEL	43-047-36533	Natural Buttes	Gas

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Asphalt Wash 13-6	SW/SW	6	11S	24E	UTU-73919	400' FSL & 550' FWL	
Asphalt Wash 10-9-11-24	NW SE	9	11S	24E	UTU-73920	1846 FSL & 1942 FEL	43-047-37071
Asphalt Wash 11-9-11-24	NE SW	9	11S	24E	UTU-73920	1799 FSL & 1782 FWL	43-047-37073
Asphalt Wash 12-6-11-24	NW SW	6	11S	24E	UTU-73919	1844 FSL & 683 FWL	43-047-37066
Asphalt Wash 14-6-11-24	SE SW	6	11S	24E	UTU-73919	704 FSL & 2123 FWL	43-047-37067
Asphalt Wash 14-9-11-24	SE SW	9	11S	24E	UTU-73920	460 FSL & 2115 FWL	43-047-37076
Asphalt Wash 15-9-11-24	SW SE	9	11S	24E	UTU-73920	804 FSL & 1990 FEL	43-047-37074
Asphalt Wash 16-9-11-24	SE SE	9	11S	24E	UTU-73920	826 FSL & 472 FEL	43-047-37075
Asphalt Wash 2-6-11-24	NW NE	6	11S	24E	UTU-73919	735 FNL & 1590 FEL	43-047-37061
Asphalt Wash 2-7-11-24	NW NE	7	11S	24E	UTU-73919	621 FNL & 2462 FEL	43-047-37068
Asphalt Wash 2-9-11-24	NW NE	9	11S	24E	UTU-73920	829 FNL & 1774 FEL	43-047-37070
Asphalt Wash 3-6-11-24	NE NW	6	11S	24E	UTU-73919	792 FNL & 1925 FWL	43-047-37062
Asphalt Wash 4-6-11-24	NW NW	6	11S	24E	UTU-73919	820 FNL & 1007 FWL	43-047-37063
Asphalt Wash 5-6-11-24	SW NW	6	11S	24E	UTU-73919	1738 FNL & 716 FWL	43-047-37064
Asphalt Wash 6-7-11-24	SE NW	7	11S	24E	UTU-73919	2013 FNL & 2241 FWL	43-047-37069
Asphalt Wash 7-6-11-24	SW NE	6	11S	24E	UTU-73919	1616 FNL & 1615 FEL	43-047-37065
Asphalt Wash 7-9-11-24	SE NE	9	11S	24E	UTU-73920	1883 FNL & 1854 FEL	43-047-37072
Asphalt Wash 1-7-11-24	NE NE	7	11S	24E	UTU-73919	426 FNL & 270 FEL	43-047-37084
Asphalt Wash 4-7-11-24	NW NW	7	11S	24E	UTU-73919	856 FNL & 860 FWL	43-047-37085
Asphalt Wash 7-7-11-24	SW NE	7	11S	24E	UTU-73919	1909 FNL & 1893 FEL	43-047-37087
Asphalt Wash 8-7-11-24	SE NE	7	11S	24E	UTU-73919	1998 FNL & 683 FEL	43-047-37086
Bonanza 4-7	NW/NW	7	9S	24E	UTU-73457	809' FNL & 670' FWL	43-047-36017
Bonanza 8-17	SW/NE	17	9S	24E	UTU-73457	1865' FNL & 584' FEL	43-047-36041
Bonanza 11-11-9-23	NE SW	11	9S	23E	UTU-74426	2036 FSL & 2043 FWL	43-047-36649
Bonanza 11-12-9-23	NE SW	12	9S	23E	UTU-74426	1799 FSL & 1948 FWL	43-047-36655
Bonanza 11-18-9-24	NE SW	18	9S	24E	UTU-73457	1785 FSL & 2133 FWL	43-047-36637
Bonanza 12-23-9-24	NW/SW	23	9S	24E	UTU-81311	1882 FSL & 699 FWL	43-047-36640
Bonanza 12-35	NW/SW	35	9S	24E	UTU 73459	1374' FSL & 858' FWL	43-047-36020
Bonanza 13-11-9-23	SW SW	11	9S	23E	UTU-74426	463 FSL & 773 FWL	43-047-36650
Bonanza 13-12-9-23	SW SW	12	9S	23E	UTU-74426	661 FSL & 656 FWL	43-047-36528
Bonanza 13-18-9-24	SW SW	18	9S	24E	UTU-73457	767 FSL & 583 FWL	43-047-36638
Bonanza 14-11-9-23	SE SW	11	9S	23E	UTU-74426	756 FSL & 1859 FWL	43-047-36651
Bonanza 14-23-9-24	SE/SW	23	9S	24E	UTU-81311	560 FSL & 1878 FWL	43-047-36641
Bonanza 15-11-9-23	SW SE	11	9S	23E	UTU-74426	660 FSL & 1980 FEL	43-047-36652
Bonanza 15-12-9-23	SW SE	12	9S	23E	UTU-74426	607 FSL & 1920 FEL	43-047-36656
Bonanza 15-18-9-24	SW SE	18	9S	24E	UTU-73457	463 FSL & 2162 FEL	43-047-36639
Bonanza 16-12-9-23	SE SE	12	9S	23E	UTU-74426	855 FSL & 536 FEL	43-047-36657
Bonanza 16-8	SE/SE	8	9S	24E	UTU-73457	588' FSL & 524' FEL	43-047-36101
Bonanza 2-11-9-23	NW NE	11	9S	23E	UTU 74426	664 FNL & 1925 FEL	43-047-36643
Bonanza 2-12-9-23	NW NE	12	9S	23E	UTU-74426	743 FNL & 1962 FEL	43-047-36527
Bonanza 3-11-9-23	NE NW	11	9S	23E	UTU 74426	499 FNL & 1898 FWL	43-047-36644
Bonanza 3-12-9-23	NE NW	12	9S	23E	UTU-74426	734 FNL & 1866 FWL	43-047-36524
Bonanza 4-35	NW/NW	35	9S	24E	UTU 73459	789' FNL & 807' FWL	43-047-35925
Bonanza 5-11-9-23	SW NW	11	9S	23E	UTU 74426	1794 FNL & 609 FWL	43-047-36645

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Bonanza 5-12-9-23	SW NW	12	9S	23E	UTU-74426	1996 FNL & 558 FWL	43-047-36526
Bonanza 5-18-9-24	SW NW	18	9S	24E	UTU-73457	2147 FNL & 662 FWL	43-047-36635
Bonanza 5-22	SW/NW	22	8S	25E	UTU-73470	1,932' FNL & 415' FWL	43-047-35918
Bonanza 5-24-9-24	SW/NW	24	9S	24E	UTU-73458	2167 FNL & 714 FWL	43-047-36642
Bonanza 6-11-9-23	SE NW	11	9S	23E	UTU-74426	2069 FNL & 1801 FWL	43-047-36646
Bonanza 6-12-9-23	SE NW	12	9S	23E	UTU-74426	2114 FNL & 1871 FWL	43-047-36525
Bonanza 7-11-9-23	SW NE	11	9S	23E	UTU-74426	2060 FNL & 2134 FEL	43-047-36647
Bonanza 7-12-9-23	SW NE	12	9S	23E	UTU-74426	2065 FNL & 2159 FEL	43-047-36653
Bonanza 8-35	SENE	35	9S	24E	UTU-73459	1987' FNL & 909' FEL	43-047-36105
Bonanza 9-11-9-23	NE SE	11	9S	23E	UTU-74426	2008 FSL & 553 FEL	43-047-36648
Bonanza 9-12-9-23	NE SE	12	9S	23E	UTU-74426	1980 FSL & 660 FEL	43-047-36654
Bonanza 9-18-9-24	NE SE	18	9S	24E	UTU-73457	2009 FSL & 852 FEL	43-047-36636
Bonanza 9-22	NE/SE	22	9S	24E	UTU-75118	1,969' FSL & 495' FEL	43-047-36102
East Bench 9-20	NE/SE	20	11S	22E	UTU-73905	2,170' FSL & 472' FEL	43-047-36275
Rock House 12-30-10-23	NE SW	30	10S	23E	UTU-76281	2320 FSL & 1980 FWL	43-047-36548
Rock House 12-31-10-23	NW SW	31	10S	23E	UTU-76281	1900 FSL & 460 FWL	43-047-36552
Rock House 13-30-10-23	SW SW	30	10S	23E	UTU-76281	553 FSL & 573 FWL	43-047-36549
Rock House 14-31-10-23	SE SW	31	10S	23E	UTU-76281	860 FSL & 1890 FWL	43-047-36553
Rock House 3-31-10-23	NE NW	31	10S	23E	UTU-76281	854 FNL & 1940 FWL	43-047-36551
Rock House 5-30-10-23	SW NW	30	10S	23E	UTU-76281	1858 FNL & 703 FWL	43-047-36547
Rock House 5-31-10-23	SW NW	31	10S	23E	UTU-76281	2055 FNL & 2097 FWL	43-047-36550
Rock House 6-31-10-23	SE NW	31	10S	23E	UTU-76281	2059 FNL & 2111 FWL	43-047-36554
Rockhouse #12-30	NW/SW	30	10S	23E	UTU-80571	1,980' FSL & 660' FWL	43-047-36018 x
Rockhouse 13C-31	SW/SW	31	10S	23E	UTU-76281	135' FSL & 365' FWL	43-047-35911
Rockhouse 4D-30	NW NW	30	10S	23E	UTU-76281	1,116 FNL & 1,135' FWL	43-047-35882
Rockhouse 4D-31	NW NW	31	10S	23E	UTU-76281	990' FNL & 990' FWL	43-047-35807
Southman Canyon 12-3-11-24	NW/SW	3	11S	24E	UTU-73918	1,950' FSL & 514' FWL	43-047-36272
Southman Canyon 12-30-10-24	NW/SW	30	10S	24E	UTU-65371	2,118' FSL & 502' FWL	43-047-36238
Southman Canyon 13-30	SW/SW	30	9S	24E	UTU-80571	765' FSL & 303' FWL	43-047-36018
Southman Canyon 16-31-10-24	SE/SE	31	10S	24E	UTU-65371	621' FSL & 575' FEL	43-047-36270
Southman Canyon 4-30-10-24	NW/NW	30	10S	24E	UTU 65371	649' FNL & 607' FWL	43-047-36237
Southman Canyon 5-19-10-24	SW/NW	19	10S	24E	UTU-65371	1,978' FNL & 855' FWL	43-047-36236
Southman Canyon 6-30	SE/NW	30	9S	24E	UTU-80571	2,015' FNL & 2,581' FWL	43-047-36103

x Duplicate API -
Different well name

OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

9/1/2005

FROM: (Old Operator):

N2525-The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Phone: 1-(713) 830-6938

TO: (New Operator):

N2750-Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Phone: 1-(303) 350-5102

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
SOUTHMAN CYN 10D-36	36	090S	230E	4304735363	14093	State	GW	P	
SOUTHMAN CYN 12D-36	36	090S	230E	4304735364	14063	State	GW	P	
SOUTHMAN CYN 2D-36	36	090S	230E	4304735365	14079	State	GW	S	
SOUTHMAN CYN 14C-36	36	090S	230E	4304735770	14320	State	GW	P	C
SOUTHMAN CYN 8C-36	36	090S	230E	4304735771	14292	State	GW	P	C
SOUTHMAN CYN 16C-36	36	090S	230E	4304735772	14265	State	GW	P	C
SOUTHMAN CYN 15-36-9-23	36	090S	230E	4304736529		State	GW	APD	C
SOUTHMAN CYN 3-36-9-23	36	090S	230E	4304736530		State	GW	APD	C
BONANZA 4D-16	16	090S	240E	4304735622	14319	State	GW	P	C
ROCK HOUSE 13-36	36	100S	220E	4304735902		State	GW	APD	
ROCK HOUSE 3-36-10-22	36	100S	220E	4304736407		State	GW	NEW	C
ROCK HOUSE 1-36-10-22	36	100S	220E	4304736408		State	GW	APD	C
ROCK HOUSE 7-36-10-22	36	100S	220E	4304736409		State	GW	NEW	C
ROCK HOUSE 13-32-10-23	32	100S	230E	4304736411		State	GW	APD	C
ROCK HOUSE 4-32-10-23	32	100S	230E	4304736412		State	GW	APD	C
EAST BENCH 3-16	16	110S	220E	4304736125		State	GW	NEW	
EAST BENCH 1-16	16	110S	220E	4304736126		State	GW	NEW	
EAST BENCH 7-16	16	110S	220E	4304736127		State	GW	NEW	
EAST BENCH 15-16	16	110S	220E	4304736128		State	GW	NEW	
ROCK HOUSE 16-2	02	110S	230E	4304736152		State	GW	APD	
HANGING ROCK 1-32	32	110S	230E	4304736309		State	GW	APD	
RAINBOW 2-16	16	110S	240E	4304736184	14657	State	GW	DRL	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/2005
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/2005
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- If **NO**, the operator was contacted on: _____

6a. (R649-9-2)Waste Management Plan has been received on: _____

Requested 9/29/05

6b. Inspections of LA PA state/fee well sites complete on: _____

n/a

6c. Reports current for Production/Disposition & Sundries on:

9/29/2005

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 9/29/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 9/29/2005
3. Bond information entered in RBDMS on: 9/30/2005
4. Fee/State wells attached to bond in RBDMS on: 9/30/2005
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/26/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000173

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number RLB0008031
2. The FORMER operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47782
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 529' FSL & 1784' FEL		8. WELL NAME and NUMBER: Southman Canyon 15-36-9-23
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 36 9S 23E S		9. API NUMBER: 4304736529
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

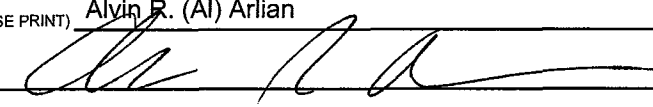
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change well name and number</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE WELL NAME AND NUMBER:

FROM: Southman Canyon 15-36-9-23
TO: Southman Canyon 9-23-34-36

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>11/10/2005</u>

(This space for State use only)

RECEIVED
NOV 14 2005
DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: ENDURING RESOURCES LLCWell Name: SOUTHMAN CYN 9-23-34-36Api No: 43-047-36529 Lease Type: STATESection 36 Township 09S Range 23E County UINTAHDrilling Contractor PETE MARTIN'S RIG # BUCKET**SPUDDED:**Date 03/20/06Time 3:00 PMHow DRY**Drilling will Commence:** _____Reported by DOUG HAMMONDTelephone # 1-435-790-6996Date 03/21/2006 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Enduring Resources, LLC Operator Account Number: N 2750
Address: 475 17th Street, Suite 1500
city Denver
state CO zip 80202 Phone Number: (303) 350-5114

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736529	Southman Canyon 9-23-34-36		SWSE	36	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15277	3/20/2006		3/30/06		
Comments: <u>CSLGT=MVRD</u> CONFIDENTIAL K							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

RECEIVED**MAR 30 2006****ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Alvin R. (Al) Arlian

Name (Please Print)

Signature

Landman-Regulatory

Title

DIV. OF OIL, GAS & MINING

3/30/2006

Date

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47782
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 529' FSL - 1,784' FEL S.L.B.& M. COUNTY: Uintah		8. WELL NAME and NUMBER: Southman Canyon #9-23-34-36
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 36 9S 23E S		9. API NUMBER: 4304736529
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Wildcat


11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/1/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Set Conductor and Surface Casing	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

3-20-2006 MIRU PETE MARTIN RATHOLE SERVICE AND DRILL 40 FT OF 20" CONDUCTOR HOLE, RUN 40 FT OF 14" LINE PIPE AND CEMENT IN WITH 3 YARDS OF READYMIX CEMENT.

4-1-2006 MIRU JR'S RATHOLE SERVICE, DRILL 12-1/4" HOLE TO 1950', HIT WATER @1450' (TRONA). RAN 42 JTS OF 8-5/8" 32# J55 SURFACE CASING. CEMENT GUIDE SHOE, FLOAT COLLAR, AND 8 CENTRALIZERS. CEMENTED WITH 220 SX LEAD AND 250 TAIL. FOLLOWED BY 9 TOP JOBS OF 1,635 SX. CEMENT HLD AT SURFACE.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>4/5/2006</u>

(This space for State use only)

RECEIVED
APR 10 2006
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL		5. LEASE DESIGNATION AND SERIAL NUMBER:	
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		ML-47782	
2. NAME OF OPERATOR:		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Enduring Resources, LLC		N/A	
3. ADDRESS OF OPERATOR:		7. UNIT or CA AGREEMENT NAME:	
475 17th Street, Suite 1500 CITY: Denver STATE: CO ZIP: 80202		N/A	
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER:	
10. FIELD AND POOL, OR WILDCAT:		Southman Canyon #9-23-34-36	
4. LOCATION OF WELL		9. API NUMBER:	
FOOTAGES AT SURFACE: 529' FSL - 1,784' FEL S.L.B. & M. COUNTY: Uintah		4304736529	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 36 9S 23E S STATE: UTAH			


11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 3/30/2007	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Notice of First Gas Sales
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

3-27-2007 First Gas Sales.

602 mcfgd first full day,
FTP 210#'s,
FCP 460#'s, and
Choke size is 32/64.

Completion Report to Follow.

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>3/30/2007</u>

(This space for State use only)

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CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8

(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47782																																																																																	
2. NAME OF OPERATOR: Enduring Resources, LLC						6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A																																																																																	
3. ADDRESS OF OPERATOR: 475 17th St, Suite 1500 CITY Denver STATE CO ZIP 80202				7. UNIT or CA AGREEMENT NAME N/A																																																																																			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 529' FSL - 1784' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: same as above AT TOTAL DEPTH: same as above				8. WELL NAME and NUMBER: Southman Canyon 09-23-34-36																																																																																			
14. DATE SPURRED: 11/10/2006				15. DATE T.D. REACHED: 11/17/2006																																																																																			
16. DATE COMPLETED: 3/27/2007				ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>																																																																																			
17. ELEVATIONS (DF, RKB, RT, GL): 5429 RKB		10. FIELD AND POOL, OR WILDCAT Wildcat																																																																																					
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 36 9S 23E S				12. COUNTY Uintah																																																																																			
13. STATE UTAH				21. DEPTH BRIDGE MD PLUG SET: TVD																																																																																			
18. TOTAL DEPTH: MD 7,928 TVD		19. PLUG BACK T.D.: MD 7,818 TVD		20. IF MULTIPLE COMPLETIONS, HOW MANY? * 4																																																																																			
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Previously submitted. CN, LD, Pex, AIT						23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)																																																																																	
24. CASING AND LINER RECORD (Report all strings set in well) <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>HOLE SIZE</th> <th>SIZE/GRADE</th> <th>WEIGHT (#/ft)</th> <th>TOP (MD)</th> <th>BOTTOM (MD)</th> <th>STAGE CEMENTER DEPTH</th> <th>CEMENT TYPE & NO. OF SACKS</th> <th>SLURRY VOLUME (BBL)</th> <th>CEMENT TOP **</th> <th>AMOUNT PULLED</th> </tr> </thead> <tbody> <tr> <td>20"</td> <td>14"</td> <td>line pipe</td> <td>0</td> <td>40</td> <td></td> <td>3 yards</td> <td></td> <td>0 (CIR)</td> <td>0</td> </tr> <tr> <td>12 1/4"</td> <td>8 5/8 J55</td> <td>32#</td> <td>16</td> <td>1,851</td> <td></td> <td>CI G 2105</td> <td>537</td> <td>16 (CIR)</td> <td>0</td> </tr> <tr> <td>7</td> <td>4 1/2 M80</td> <td>11.6#</td> <td>16</td> <td>7,860</td> <td></td> <td>CI G 1270</td> <td>391</td> <td>2454 (CBL)</td> <td>0</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>								HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED	20"	14"	line pipe	0	40		3 yards		0 (CIR)	0	12 1/4"	8 5/8 J55	32#	16	1,851		CI G 2105	537	16 (CIR)	0	7	4 1/2 M80	11.6#	16	7,860		CI G 1270	391	2454 (CBL)	0																																								
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29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> DST REPORT <input type="checkbox"/> DIRECTIONAL SURVEY <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> OTHER: _____						30. WELL STATUS: Producing																																																																																	

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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 3/27/2007		TEST DATE: 4/20/2007		HOURS TESTED: 600		TEST PRODUCTION RATES: →	OIL – BBL: 3	GAS – MCF: 347	WATER – BBL: 0	PROD. METHOD: 25 day avg
CHOKE SIZE: 23/64	TBG. PRESS. 160	CSG. PRESS. 300	API GRAVITY	BTU – GAS	GAS/OIL RATIO 116	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 268	WATER – BBL: 0	INTERVAL STATUS: Producing

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Green River Wasatch Mesaverde	752 4,052 5,720

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Kevin Lee

TITLE Engineering Tech

SIGNATURE

DATE 4/24/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

**Enduring Resources, LLC**

475 17th Street
Denver, CO 80202
(303) 573-1222

**Drilling Chronological
Regulatory**

43-047-36529

Well Name: SOUTHMAN CANYON 09-23-34-36										
Field Name:	Natural Buttes			S/T/R:	36/9S/23E			County, State:	UINTAH, UT	
Operator:	Enduring Resources, LLC			Location Desc:				District:	Northern	
Project AFE:	DV00315			AFEs Associated:						/ / /
Daily Summary										
Activity Date :	2/15/2006		Days From Spud :	0		Current Depth :	0 Ft		24 Hr. Footage Made :	0 Ft
Rig Company :						Rig Name:				
Formation :						Weather:				
Operations										
Start	Hrs	Code	Remarks				Start Depth	End Depth	Run	
6:00	2.00	24	Waiting on Ponderosa Construction equipment				0	0	NIH	
8:00	9.00	22	MI Ponderosa equipment and commence building location				0	0	NIH	
17:00	13.00	24	SDFN				0	0	NIH	
Total:	24.00									
Daily Summary										
Activity Date :	2/16/2006		Days From Spud :	0		Current Depth :	0 Ft		24 Hr. Footage Made :	0 Ft
Rig Company :						Rig Name:				
Formation :						Weather:				
Operations										
Start	Hrs	Code	Remarks				Start Depth	End Depth	Run	
6:00	2.00	24	SDFN				0	0	NIH	
8:00	9.00	22	Building location				0	0	NIH	
17:00	13.00	24	SDFN				0	0	NIH	
Total:	24.00									
Daily Summary										
Activity Date :	2/17/2006		Days From Spud :	0		Current Depth :	0 Ft		24 Hr. Footage Made :	0 Ft
Rig Company :						Rig Name:				
Formation :						Weather:				
Operations										
Start	Hrs	Code	Remarks				Start Depth	End Depth	Run	
6:00	2.00	24	SDFN				0	0	NIH	
8:00	9.00	22	Building location				0	0	NIH	
17:00	13.00	24	SDFN				0	0	NIH	
Total:	24.00									
Daily Summary										
Activity Date :	2/18/2006		Days From Spud :	0		Current Depth :	0 Ft		24 Hr. Footage Made :	0 Ft
Rig Company :						Rig Name:				
Formation :						Weather:				
Operations										
Start	Hrs	Code	Remarks				Start Depth	End Depth	Run	
6:00	2.00	24	SDFN				0	0	NIH	
8:00	9.00	22	Building location				0	0	NIH	
17:00	13.00	24	SD for weekend. Will resume work on Monday am.				0	0	NIH	
Total:	24.00									

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4/24/2007

DIV. OF OIL, GAS & MINING

Well Name: SOUTHMAN CANYON 09-23-34-36											
Field Name:		Natural Buttes		S/T/R:		36/9S/23E		County, State:		UINTAH, UT	
Operator:		Enduring Resources, LLC		Location Desc:				District:		Northern	

Daily Summary															
Activity Date :		2/21/2006		Days From Spud :		0		Current Depth :		0 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations											
Start	Hrs	Code	Remarks						Start Depth	End Depth	Run
6:00	2.00	24	SDFN						0	0	NIH
8:00	9.00	22	Building location						0	0	NIH
17:00	13.00	24	SDFN						0	0	NIH
Total:		24.00									

Daily Summary															
Activity Date :		2/22/2006		Days From Spud :		0		Current Depth :		0 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations											
Start	Hrs	Code	Remarks						Start Depth	End Depth	Run
6:00	2.00	24	SDFN						0	0	NIH
8:00	9.00	22	Building location						0	0	NIH
17:00	13.00	24	SDFN						0	0	NIH
Total:		24.00									

Daily Summary															
Activity Date :		2/23/2006		Days From Spud :		0		Current Depth :		0 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations											
Start	Hrs	Code	Remarks						Start Depth	End Depth	Run
6:00	2.00	24	SDFN						0	0	NIH
8:00	9.00	22	Building location						0	0	NIH
17:00	13.00	24	SDFN						0	0	NIH
Total:		24.00									

Daily Summary															
Activity Date :		2/24/2006		Days From Spud :		0		Current Depth :		0 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations											
Start	Hrs	Code	Remarks						Start Depth	End Depth	Run
6:00	2.00	24	SDFN						0	0	NIH
8:00	9.00	22	Finished building location						0	0	NIH
17:00	13.00	24	SDFN						0	0	NIH
Total:		24.00									

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4/24/2007

Well Name: SOUTHMAN CANYON 09-23-34-36											
Field Name:		Natural Buttes		S/T/R:		36/9S/23E		County, State:		UINTAH, UT	
Operator:		Enduring Resources, LLC		Location Desc:				District:		Northern	

Daily Summary															
Activity Date :		3/21/2006		Days From Spud :		0		Current Depth :		40 Ft		24 Hr. Footage Made :		40 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations														
Start	Hrs	Code	Remarks							Start Depth	End Depth	Run		
6:00	2.00	24	WAITING ON CONDUCTOR							0	0	NIH		
8:00	7.00	02	MI PETE MARTIN RATHOLE SERVICE AND DRILL 40 FT OF 20" CONDUCTOR HOLE. RUN 40 FT OF 14" CONDUCTOR AND CEMENT WITH 3 YARDS OF READYMIX CEMENT							0	40	NIH		
15:00	15.00	24	SDFN							40	40	NIH		
Total:		24.00												

Daily Summary															
Activity Date :		4/2/2006		Days From Spud :		0		Current Depth :		1010 Ft		24 Hr. Footage Made :		970 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations														
Start	Hrs	Code	Remarks							Start Depth	End Depth	Run		
6:00	8.00	24	WAITING ON SURFACE							40	40	NIH		
14:00	16.00	02	MI BILL JRS RATHOLE AND DRILL 12 1/4" HOLE TO 1010 FT							40	1010	NIH		
Total:		24.00												

Daily Summary															
Activity Date :		4/3/2006		Days From Spud :		0		Current Depth :		1950 Ft		24 Hr. Footage Made :		940 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations														
Start	Hrs	Code	Remarks							Start Depth	End Depth	Run		
6:00	24.00	02	DRILLING 12 1/4" HOLE TO 1950 FT HIT TRONA WATER AT 1450 FT							1010	1950	NIH		
Total:		24.00												

Daily Summary															
Activity Date :		4/4/2006		Days From Spud :		0		Current Depth :		1950 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations														
Start	Hrs	Code	Remarks							Start Depth	End Depth	Run		
6:00	8.00	12	RUN 42 JTS OF 8 5/8" 32# J55 SURFACE CASING, CEMENT GUIDE SHOE, FLOAT COLLAR AND 8 CENTRALIZERS.. BIG 4 CEMENTED WITH 220 SX LEAD AND 250 SX TAIL. FOLLOWED BY 9 TOP JOBS OF 1635 SX . CEMENT HELD AT SURFACE.							1950	1950	NIH		
Total:		8.00												

Daily Summary															
Activity Date :		11/8/2006		Days From Spud :		0		Current Depth :		1950 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :								Rig Name:							
Formation :								Weather:							

Operations														
Start	Hrs	Code	Remarks							Start Depth	End Depth	Run		
6:00	12.00	01	MI/RU , Set Substructure, BOP'S and Living Quarters, Location Soft on Pit side Shut down Rigging up and work on location (SDFN)							1950	1950	NIH		
Total:		12.00												

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4/24/2007

Well Name: SOUTHMAN CANYON 09-23-34-36														
Field Name:		Natural Buttes			S/T/R:		36/9S/23E			County, State:		UINTAH, UT		
Operator:		Enduring Resources, LLC			Location Desc:					District:		Northern		

Daily Summary															
Activity Date :		11/9/2006		Days From Spud :		0		Current Depth :		1950 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :		Ensign				Rig Name:		Ensign 79							
Formation :						Weather:									

Operations													
Start	Hrs	Code	Remarks								Start Depth	End Depth	Run
6:00	18.50	01	Safety Meeting with R.W. Jones. Set in Mud Tanks, Pumps, Yard. R/U Yard. Raised Derrick. Drill on Rathole.								1950	1950	NIH
0:30	5.50	15	Safety Meeting with B & C Quick Test & R/U Same. Test 8-5/8" Csg. To 250 psi Low / 1,500 psi High. Test Chokes, Manifold, & Inside Grey Valve to 250 psi Low / 3,000 psi High.								1950	1950	NIH
Total:		24.00											

Daily Summary															
Activity Date :		11/10/2006		Days From Spud :		0		Current Depth :		1950 Ft		24 Hr. Footage Made :		0 Ft	
Rig Company :		Ensign				Rig Name:		Ensign 79							
Formation :						Weather:									

Operations													
Start	Hrs	Code	Remarks								Start Depth	End Depth	Run
6:00	4.50	21	Re-drill Rathole, pump sweeps. (boulder 12' below G.L.). Finally got kelly shuck in (4' high)								1950	1950	NIH
10:30	5.50	15	Continue Testing. Test B.O.P.'s & all valves to 250 psi Low / 3,000 psi High. Test Annular to 250 psi Low / 1,500 psi High. Test Kelly, Kelly hose, Standpipe, 4" lines, & Vibrator hose to 250 psi Low / 3,000 psi High. R/D B & C Quick Test.								1950	1950	NIH
16:00	2.00	21	Install flowline. Install Wear Bushing. Measure & Caliper B.H.A. #1.								1950	1950	1
18:00	1.50	21	Safety Meeting & R/U Caliber P/U Machine.								1950	1950	1
19:30	5.50	21	P/U B.H.A. #1 & 4-1/2" drill pipe. Tag Cement @ 1,780'.								1950	1950	1
1:00	1.50	21	R/D P/U Machine. (R/U wireline)								1950	1950	1
2:30	3.50	21	Drill cement & Float Equipment F/ 1,780' to 1,866'.								1950	1950	1
Total:		24.00											

Mud Properties															
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand
1950	6:00	8.40	8.40	28	0	0	0/0/0	0.0	0.0	0	0.00	1.0%	99.0%	0.0%	0.0%
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss	
0.0	9.50	0.00	0.20	0.80	1800	80	0	0.00	0.00	0	0	0.00		0	
Water Loss		LCM	ECD	FL Temp	UFT	Remarks									
0		0.0	0.0	0		MUD CHECK ON RESERVE PIT WATER									

Well Name: SOUTHMAN CANYON 09-23-34-36															
Field Name:		Natural Buttes			S/T/R:		36/9S/23E			County, State:		UINTAH, UT			
Operator:		Enduring Resources, LLC			Location Desc:					District:		Northern			

Daily Summary															
Activity Date :		11/11/2006		Days From Spud :		1		Current Depth :		3161 Ft		24 Hr. Footage Made :		1211 Ft	
Rig Company :		Ensign			Rig Name:		Ensign 79								
Formation :		Green River			Weather:										

Operations															
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run
6:00	1.50	03	Wash & Ream F/ 1,866' (Shoe) to 1,966'										1950	1966	1
7:30	0.50	02	Drill F/ 1,966' to 1,971' (5' of new hole) Spud 7-7/8" hole @ 07:30 hrs. 11-10-2006										1966	1971	1
8:00	0.50	05	Circulate hole clean.										1971	1971	1
8:30	0.50	21	Perform F.I.T. 8.4 ppg water. Max. pressure 200 psi & drops off to 0 psi in less than 1 minute.										1971	1971	1
9:00	1.00	10	Deviation Survey @ 1,870' Inc. 1.8, Azi. 141.4 (Corrected 153.0)										1971	1971	1
10:00	5.00	02	Drill F/ 1,971' to 2,126'. WOB 8K, RPM 45, MTR 58										1971	2126	1
15:00	0.50	07	Rig Service										2126	2126	1
15:30	4.00	02	Drill F/ 2,126' to 2,436'. WOB 7-9K, RPM 55, MTR 58										2126	2436	1
19:30	1.00	10	Circulate & Deviation Survey @ 2,393' Inc. 2.4, Azi. 128.1 (Corrected 139.7)										2436	2436	1
20:30	7.00	02	Drill F/ 2,436' to 3,026'. WOB 3-7K, RPM 60, MTR 58										2436	3026	1
3:30	0.50	10	Circulate & Deviation Survey @ 2,950' Inc. 2.4, Azi. 128.9 (Corrected 140.5)										3026	3026	1
4:00	2.00	02	Drill F/ 3,026' to 3,161'. WOB 7K, RPM 60, MTR 58										3026	3161	1
Total:		24.00													

Mud Properties															
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand
1950	6:00	8.50	8.50	30	0	0	0/0/0	0.0	0.0	0	0.00	1.0%	99.0%	0.0%	0.0%
MBT	pH	Pm	Pf	Mf	CI	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss	
0.0	11.70	0.00	1.60	2.00	2200	320	0	0.00	0.00	0	0	0.00		0	
Water Loss		LCM	ECD	FL Temp	UFT	Remarks									
0		0.0	0.0	0		Start mudding up at 3,100'									

Daily Summary															
Activity Date :		11/12/2006		Days From Spud :		2		Current Depth :		4706 Ft		24 Hr. Footage Made :		1545 Ft	
Rig Company :		Ensign			Rig Name:		Ensign 79								
Formation :		Wasatch			Weather:										

Operations															
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run
6:00	6.50	02	Drill F/ 3,161' to 3,524'. WOB 7K, RPM 60, MTR 58										3161	3524	1
12:30	1.00	10	Circulate & Deviation Survey @ 3,424' Inc. 1.8, Azi. 154.8 (Corrected 166.4)										3524	3524	1
13:30	4.00	02	Drill F/ 3,524' to 3,837'. WOB 7-8K, RPM 60, MTR 58										3524	3837	1
17:30	0.50	07	Rig Service										3837	3837	1
18:00	2.50	02	Drill F/ 3,837' to 4,021'. WOB 7K, RPM 62, MTR 58										3837	4021	1
20:30	1.00	10	Circulate & Deviation Survey @ 3,945' Inc. 1.8, Azi. 141.4 (Corrected 153.0)										4021	4021	1
21:30	6.00	02	Drill F/ 4,021' to 4,551'. WOB 3-8K, RPM 60 - 65, MTR 58										4021	4551	1
3:30	0.50	10	Circulate & Deviation Survey @ 4,474' Inc. 2.4, Azi. 128.4 (Corrected 140.0)										4551	4551	1
4:00	2.00	02	Drill F/ 4,551' to 4,706'. WOB 3-9K, RPM 60 - 65, MTR 58										4551	4706	1
Total:		24.00													

Mud Properties															
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand
4706	6:00	8.90	9.00	36	0	0	0/0/0	0.0	0.0	0	0.00	1.0%	99.0%	0.0%	0.0%
MBT	pH	Pm	Pf	Mf	CI	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss	
0.0	11.80	0.00	1.20	2.00	2200	280	0	0.00	0.00	0	0	0.00		0	
Water Loss		LCM	ECD	FL Temp	UFT	Remarks									
0		0.0	0.0	70											

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DIV. OF OIL, GAS & MINING

Well Name: SOUTHMAN CANYON 09-23-34-36																	
Field Name:		Natural Buttes			S/T/R:		36/9S/23E			County, State:		UINTAH, UT					
Operator:		Enduring Resources, LLC			Location Desc:					District:		Northern					

Daily Summary																	
Activity Date :		11/13/2006		Days From Spud :		3		Current Depth :		6014 Ft		24 Hr. Footage Made :		1308 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	4.50	02	Drill F/ 4,706' to 5,048'. WOB 7-10K, RPM 60, MTR 58										4706	5048	1		
10:30	1.00	10	Circulate & Deviation Survey @ 4,948' Inc. 2.0, Azi. 125.6 (Corrected 137.2)										5048	5048	1		
11:30	7.00	02	Drill F/ 5,048' to 5,547'. WOB 7-10K, RPM 60, MTR 58										5048	5547	1		
18:30	1.00	10	Circulate & Deviation Survey @ 5,471' Inc. 2.2, Azi. 141.0 (Corrected 152.6)										5547	5547	1		
19:30	9.00	02	Drill F/ 5,547' to 6,014'. WOB 7-10K, RPM 50-60, MTR 58										5547	6014	1		
4:30	1.50	10	Circulate & Deviation Survey @ 5,938'. Kinked line, pull out slowly.										6014	6014	1		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
6014	6:00	9.60	9.60	48	13	10	1/5/0	8.6	0.0	2	0.00	6.0%	94.0%	0.0%	0.0%		
MBT	pH	Pm	Pf	Mf	CI	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.30	0.90	0.40	0.90	2000	80	0	0.00	0.00	0	0	0.00		0			
Water Loss	LCM	ECD	FL Temp	UFT	Remarks												
0	0.0	9.8	90														

Daily Summary																	
Activity Date :		11/14/2006		Days From Spud :		4		Current Depth :		6728 Ft		24 Hr. Footage Made :		714 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	4.00	08	Continued P.O.O.H. slow with wireline. Survey tool @ surface @ 08:00 hrs., Kelly up & Circulate. Pull bad wire off. Re-head. At 09:30 hrs. set kelly back. Re-run Deviation Survey @ 5,914' Inc. 2.2, Azi. 140.0 (Corrected 151.6)										6014	6014	1		
10:00	0.50	07	Rig Service										6014	6014	1		
10:30	13.50	02	Drill F/ 6,014' to 6,616'. WOB 6-8K, RPM 60, MTR 58										6014	6616	1		
0:00	1.00	10	Circulate & Deviation Survey @ 6,529' Inc. 3.6, Azi. 140.2 (Corrected 151.8)										6616	6616	1		
1:00	5.00	02	Drill F/ 6,616' to 6,728'. WOB 6-9K, RPM 62, MTR 58										6616	6728	1		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
6728	6:00	10.30	10.30	45	18	15	3/6/0	7.2	0.0	2	0.00	9.0%	91.0%	0.0%	0.0%		
MBT	pH	Pm	Pf	Mf	CI	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.60	0.80	0.30	0.90	2000	80	0	0.00	0.00	0	0	0.00		0			
Water Loss	LCM	ECD	FL Temp	UFT	Remarks												
0	0.0	10.4	95														

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4/24/2007

Well Name: SOUTHMAN CANYON 09-23-34-36																	
Field Name:		Natural Buttes			S/T/R:		36/9S/23E			County, State:		UINTAH, UT					
Operator:		Enduring Resources, LLC			Location Desc:					District:		Northern					

Daily Summary																	
Activity Date :		11/15/2006		Days From Spud :		5		Current Depth :		7155 Ft		24 Hr. Footage Made :		427 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	10.00	02	Drill F/ 6,728' to 7,039'. WOB 7-15K, RPM 60, MTR 58										6728	7039	1		
16:00	0.50	07	Rig Service										7039	7039	1		
16:30	3.00	02	Drill F/ 7,039' to 7,132'. WOB 8-14K, RPM 60, MTR 58										7039	7132	1		
19:30	1.00	10	Circulate & Deviation Survey @ 7,052' Inc. 2.1, Azi. 140.7 (Corrected 152.3)										7132	7132	1		
20:30	2.00	02	Drill F/ 7,132' to 7,155'. WOB 10-12K, RPM 45-60, MTR 58										7132	7155	1		
22:30	2.50	05	Mix Sweep & Circulate same around.										7155	7155	1		
1:00	5.00	06	Slug Pipe. P.O.O.H. Tight hole @ 5,336'. Kelly up. Circulate & work thru tight spot. Slug Pipe.										7155	7155	1		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
7155	6:00	10.40	10.40	45	23	9	2/5/0	5.8	0.0	2	0.00	13.0%	87.0%	0.0%	0.0%		
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.60	1.00	0.40	0.90	1900	80	0	0.00	0.00	0	0	0.00		0			
Water Loss	LCM	ECD	FL Temp	UFT	Remarks												
0	0.0	10.7	97														

Daily Summary																	
Activity Date :		11/16/2006		Days From Spud :		6		Current Depth :		7341 Ft		24 Hr. Footage Made :		186 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	8.50	06	Continue Trip out of hole. (Work thru tight places from 5,326' to 4,100'.										7155	7155	1		
14:30	1.00	06	L/D Mud Motor & (2) 3 point roller reamers. P/U new mud motor.										7155	7155	1		
15:30	2.00	06	Run B.H.A. #2 in hole. Install new rotating rubber.										7155	7155	2		
17:30	4.50	06	Continue Trip in Hole. (P/U Kelly & fill pipe @ 3,500') Trip in hole to 7,130'.										7155	7155	2		
22:00	1.00	03	Wash & Ream from 7,130' to 7,155'. Circulate Bottoms up. Max. Trip Gas 265 units, mud cut from 10.3# to 9.9#.										7155	7155	2		
23:00	7.00	02	Drill F/ 7,155' to 7,341'. WOB 8-10K, RPM 55, MTR 58										7155	7341	2		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
7155	6:00	10.50	10.50	45	20	9	2/6/0	6.4	0.0	2	0.00	13.0%	87.0%	0.0%	0.0%		
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.20	0.80	0.20	0.90	2000	90	0	0.00	0.00	0	0	0.00		0			
Water Loss	LCM	ECD	FL Temp	UFT	Remarks												
0	0.0	10.7	97														

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DIV. OF OIL, GAS & MINING

Well Name: SOUTHMAN CANYON 09-23-34-36																	
Field Name:		Natural Buttes			S/T/R:		36/9S/23E			County, State:		UINTAH, UT					
Operator:		Enduring Resources, LLC			Location Desc:					District:		Northern					

Daily Summary																	
Activity Date :		11/17/2006		Days From Spud :		7		Current Depth :		7901 Ft		24 Hr. Footage Made :		560 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	0.50	07	Rig Service										7341	7341	2		
6:30	3.50	08	Rig Repair. Work on Pump #1 & #2.										7341	7341	2		
10:00	20.00	02	Drill F/ 7,341' to 7,901'. WOB 10-18K, RPM 42-60, MTR 58										7341	7901	2		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
7901	6:00	10.90	10.90	47	20	10	3/6/0	6.8	0.0	2	0.00	14.0%	86.0%	0.0%	0.0%		
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.20	0.90	0.40	0.90	1600	80	0	0.00	0.00	0	0	0.00		0			
Water Loss		LCM	ECD	FL Temp	UFT	Remarks											
0		0.0	11.3	97		LOST 280 BBLs. OF MUD LAST 24 HOURS DUE TO SEEPAGE.											

Daily Summary																	
Activity Date :		11/18/2006		Days From Spud :		8		Current Depth :		7928 Ft		24 Hr. Footage Made :		27 Ft			
Rig Company :		Ensign						Rig Name:		Ensign 79							
Formation :		Mesaverde						Weather:									

Operations																	
Start	Hrs	Code	Remarks										Start Depth	End Depth	Run		
6:00	1.00	02	Drill F/ 7,901' to 7,928'. T.D. 7-7/8" hole @ 7,928' MD @ 07:00 hrs. 11-17-2006										7901	7928	2		
7:00	3.50	05	Circulate. Pump High Vis. Sweep Around.										7928	7928	2		
10:30	2.50	06	Short Trip out to 4,000' (Replace Crown-o-matic Valve)										7928	7928	2		
13:00	3.00	06	Trip in hole to 7,900'.										7928	7928	2		
16:00	1.50	05	Circulate Bottoms Up.(wash 3' fill from 7,925' to 7,928') Max. Gas 2,096 units. No Mud Cut. 8' - 12' Flare @ bottoms up.										7928	7928	2		
17:30	0.50	10	Drop Survey Tool. Wait on Clock.										7928	7928	2		
18:00	6.50	06	Slug Pipe. P.O.O.H. to 1,212'. Pull rotating rubber										7928	7928	2		
0:30	2.00	06	Trip out with B.H.A., L/D mud motor. Survey @ 7,852' Inc. 3.4, Azi. 115.2 (Corrected 126.8)										7928	7928	2		
2:30	3.50	11	Safety meeting with Schlumberger & R/U same. GIH with Triple Combo tool. (Log T.D. 7,936').										7928	7928	2		
Total:		24.00															

Mud Properties																	
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand		
7928	6:00	10.90	10.90	50	21	15	3/6/0	6.6	0.0	2	0.00	13.0%	87.0%	0.0%	0.1%		
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss			
0.0	10.30	0.80	0.40	1.00	1200	80	0	0.00	0.00	0	0	0.00		0			
Water Loss		LCM	ECD	FL Temp	UFT	Remarks											
0		0.0	11.3	97													

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DIV. OF OIL & GAS

Well Name:SOUTHMAN CANYON 09-23-34-36

Field Name:	Natural Buttes	S/T/R:	36/9S/23E	County,State:	UINTAH, UT
Operator:	Enduring Resources, LLC	Location Desc:		District:	Northern

Daily Summary

Activity Date :	11/19/2006	Days From Spud :	9	Current Depth :	7928 Ft	24 Hr. Footage Made :	0 Ft
Rig Company :	Ensign	Rig Name:	Ensign 79	Formation :	Mesaverde	Weather:	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	2.50	11	Finish Logging. R/D Schlumberger.	7928	7928	3
8:30	7.50	06	Trip in hole. Fill Pipe @ 1,850' & 5,000'. Continue trip in hole to 7,900'.	7928	7928	3
16:00	3.00	05	Circulate & Condition (Wash 4' fill from 7,924' to 7,928')	7928	7928	3
19:00	2.00	05	Circulate. Set in pipe tubs, R/D Iron Roughneck (not working) Safety Meeting with Caliber & all personnel. R/U L/D machine.	7928	7928	3
21:00	7.50	21	Slug Pipe. L/D 4-1/2" Drill Pipe to 1,200'. Break kelly.	7928	7928	3
4:30	1.50	21	L/D B.H.A.	7928	7928	3
Total:	24.00					

Mud Properties

Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand
7928	6:00	10.90	10.90	48	22	14	3/6/0	6.8	0.0	2	0.00	13.0%	87.0%	0.0%	0.1%
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss	
0.0	10.10	0.60	0.50	0.90	1200	80	0	0.00	0.00	0	0	0.00		0	
Water Loss		LCM	ECD	FL Temp	UFT	Remarks									
0		0.0	11.3	97											

Daily Summary

Activity Date :	11/20/2006	Days From Spud :	10	Current Depth :	7928 Ft	24 Hr. Footage Made :	0 Ft
Rig Company :	Ensign	Rig Name:	Ensign 79	Formation :		Weather:	

Operations

Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	2.00	21	Finish L/D B.H.A., Pull Wear Bushing.	7928	7928	NIH
8:00	2.50	21	Clean Floor, L/D Pipe Spinners. Safety Meeting with all personnel. R/U 4-1/2" casing tools.	7928	7928	NIH
10:30	8.00	12	Run 4-1/2" casing. Tagged fill @ 7,920'. Space Out. Ran 185 jts., Marker jt., Short jt. Total 7,902.84'. Install Halliburton cementing head.	7928	7928	NIH
18:30	2.00	05	Circulate & Condition. R/D P/U machine & 4-1/2" casing tools. R/U Halliburton.	7928	7928	NIH
20:30	4.00	12	Safety Meeting with Halliburton & all personnel. Switch pump line to Halliburton. Pressure Test lines to 5,000 psi. Pump 10 bbls. Fresh water, 20 bbls. Superflush, 10 bbls. Fresh water. Mix & pump 200 sx. (137 bbls.) Hi-Fill w/ 16% gel, 1% EX-1, 10 lbs/sk Gilsonite, 1/8 lbs/sk Poly-E-Flake, .2% HR-7, 3% Salt, 3 lbs/sk Granulite (at 11.0 ppg, yield 3.85). Mix & Pump 1,070 sx. (232 bbls.) 50/50 Poz w/ 2% Gel, .6% Halad-322, 5% Salt, 1/8 lbs/sk Poly-E-Flake (@ 14.35 ppg, yield 1.33). Dropped top plug. Displaced w/ 122.1 bbls. Water w/ clay stabilizer. Bumped plug @ 2,985 psi., Check Floats, Floats holding. R/D Halliburton.	7928	7928	NIH
0:30	5.50	21	Back out landing joint. Clean Mud Tanks. Released Rig @ 06:00 hrs. 11-20-2006.	7928	7928	NIH
Total:	24.00					

Mud Properties

Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand
0	0:00	0.00	0.00	0	0	0	0/0/0	0.0	0.0	0	0.00	0.0%	0.0%	0.0%	0.0%
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss	
0.0	0.00	0.00	0.00	0.00	0	0	0	0.00	0.00	0	0	0.00		0	
Water Loss		LCM	ECD	FL Temp	UFT	Remarks									
0		0.0	0.0	0											

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Well Name: SOUTHMAN CANYON 09-23-34-36																
Field Name:	Natural Buttes				S/T/R:		36/9S/23E				County, State:		UINTAH, UT			
Operator:	Enduring Resources, LLC				Location Desc:						District:		Northern			
Daily Summary																
Activity Date :	11/21/2006		Days From Spud :	11		Current Depth :	7928 Ft		24 Hr. Footage Made :	0 Ft						
Rig Company :	Ensign					Rig Name:	Ensign 79									
Formation :						Weather:										
Operations																
Start	Hrs	Code	Remarks								Start Depth	End Depth	Run			
6:00	12.00	01	Rig Down Ensign 79. Inspect drill collars, 4-1/2" HWDP, Kelly, Swivel, & subs.								7928	7928	NIH			
18:00	12.00	21	Rig Idle. W.O. Daylight to lay derrick over & load out Rig.								7928	7928	NIH			
Total:	24.00															
Mud Properties																
Depth	Time	Wt In	Wt Out	Vis	PV	YP	Gels	FL	HTFL	FC	HTFC	Solid	Water	Oil	Sand	
7928	0:00	0.00	0.00	0	0	0	0/0/0	0.0	0.0	0	0.00	0.0%	0.0%	0.0%	0.0%	
MBT	pH	Pm	Pf	Mf	Cl	Ca	ES	Pom	Lime	Total Sal.	CaCl2	EDTA	O/W Ratio	Mud Loss		
0.0	0.00	0.00	0.00	0.00	0	0	0	0.00	0.00	0	0	0.00		0		
Water Loss	LCM	ECD	FL Temp	UFT	Remarks											
0	0.0	0.0	0													

Formation									
Formation Name	Current Well Top	Subsea Datum	Ref Well Top	Elec Top	Comments				
Casing									
DateIn	Setting Depth	Jts Run	Type	Size	Weight	Grade	MINID	HoleDiam	TD
4/3/2006	1851	42	3. Surface	8.625	32	J-55		12.25	1950
Stage: 1, Lead, 0, 220, 16% GEL 1/4# FLOWCELE, Class G, 3.85, 11.1									
Stage: 1, Tail, 0, 250, 2% CACL2 1/4# FLOWCELE, Class G, 1.15, 15.8									
Stage: 1, , 0, 100, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 100, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 225, 4 % CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 225, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 200, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 250, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 225, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 225, 4% CACL2, Class G, 1.15, 15.8									
Stage: 1, , 0, 85, 4% CACL2, Class G, 1.15, 15.8									
11/18/2006	7860.09	185	5. Production	4.5	11.6	M-80	0	7.875	7928
Stage: 1, Lead, 0, 200, , HI-FILL, 3.85, 11									
Stage: 1, Tail, 0, 1070, , 50/50 Poz, 1.33, 14.35									